

SECTION 1: GENERAL INFORMATION

This section provides general information on the funded activity.

1. Funded Activity Title:	<i>Scaling Up Energy Efficiency for Industrial Enterprises in Vietnam</i>
2. Funding Proposal Number:	<i>FP071</i>
3. Date of Board approval - Board Meeting Number:	<i>1/3/2018</i> <i>B.19</i>
4. Accredited Entity:	<i>The World Bank</i>
5. Focal Point of the Accredited Entity for this Project:	<i>Thi Ba Chu</i> tchu@worldbank.org
6. Executing Entity(ies):	<i>Socialist Republic of Vietnam, acting through the Ministry of Industry and Trade, and the Program Implementing Entity (PIE)</i>
7. Implementation Period:	<i>From: 14/8/2020</i> <i>To: 14/2/2026</i>
8. Current year of Implementation:	<i>Year 1</i>
9. Date of Submission of the Report:	<i>28/2/2021</i>
10. Annual Reporting period covered in this report:	<i>From: 14/8/2020</i> <i>To: 31/12/2020</i>
11. Total Project Budget²:	<i>Guarantee: USD 75,000,000</i> <i>Grant: USD 11,300,000</i> <i>Credit: USD 1,700,000</i>
12. Total amount of GCF Proceeds Approved:	<i>Guarantee: USD 75,000,000</i> <i>Grant: USD 11,300,000</i>
13. Total amount of GCF Proceeds disbursed (cumulative) to the Accredited Entity:	<i>Guarantee: USD 0</i> <i>Grant: USD 0</i>

²Total project budget including co-financing as reflected in the relevant Funded Activity Agreement.

SECTION 2: IMPLEMENTATION PROGRESS

2.1 OVERALL (SUMMARY) PROJECT PROGRESS (*less than one (1) page*³).

Provide a narrative report describing the overall progress on the implementation of the funded activity, focusing on implementation achievements, delays and challenges according to the planned activities. As relevant, include references to other sections of this report (including Annexes or Attachments).

Include a description of key milestones of the funded activity achieved during this reporting period including any deviations from original expectations. Also, describe challenges encountered and actions undertaken to resolve these challenges, and lessons learned during the implementation, including issues related to non-compliance with GCF standards or conditions, if any. In parallel, include positive achievements and better-than-expected results.

If any issues have arisen in the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project, please provide a description of those items and how they have impacted the implementation period and final targets.

The Grant Agreement between the World Bank and Socialist Republic of Vietnam has not yet been signed. Following the effectiveness of the Funded Activity Agreement on 14 August 2020, the World Bank has been working with the Government of Vietnam on negotiating the Grant Agreement. The Government is at the final stage of its internal review. The Grant Agreement is expected to be signed by end February 2021.

The Program Implementing Entity (PIE), the Executing Entity for the implementation of sub-component 1.1, has not yet been appointed by the Government of Vietnam, acting through the Ministry of Industry and Trade (MoIT), to manage the Risk Sharing Facility. MoIT is currently finalizing the assessment of candidates. The PIE is expected to be formally appointed by MoIT by end March 2021. Once the PIE is appointed, the World Bank will start negotiations on the GCF Guarantee Agreement with the appointed PIE. The RSF is expected to start issuing RSF guarantees in the first half of 2021.

³ Please remove text below to fit report to one page. Additional reports can be provided as other attachment to the APR.

2.2 Performance against the GCF Investment Criteria (summary) (max two (2) pages).

Provide a narrative report describing the progress on the funded activity's performance against [the GCF investment criteria framework](#). The performance should be compared against the initial assessment provided in the Board-approved Funding Proposal (section E). The list of the investment criteria as per the current framework is provided below.

For each investment criteria outlined below, please include an assessment of current status, changes, progress and impact of the project as well as any impact of project context on the project during this reporting period against the initial baseline scenario and planned activities as per the assessment presented in the approved Funding Proposal.

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.2.1 Impact Potential (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Impact Potential".

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.2.2 Paradigm shift potential (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Paradigm shift potential".

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.2.3 Sustainable development potential (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Sustainable development potential".

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.2.4 Needs of the recipient (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Needs of the recipient".

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.2.5 Country Ownership (max one (1) page).

As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Country Ownership".

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.2.6 Efficiency and Effectiveness (max one (1) page).



As per the initial assessment against the investment criteria provided in the Funding Proposal approved by the GCF Board, please provide an assessment of the performance of the funded activity during the relevant reporting period against the investment criteria "Efficiency and Effectiveness".

The implementation of the funded activity has not been started yet, as described in Section 2.1.

2.3 PROJECT OUTPUTS IMPLEMENTATION STATUS ⁴			
Project Output	Project Activity	Status ⁵	Implementation progress ⁶ (%)
Output 1.1 Risk sharing facility – guarantee issuance	Project Activity 1.1.1 Energy efficiency investment	Not yet started	0%
	<p><i>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</i></p> <p>The implementation of the Project Activity has not been started yet, as described in Section 2.1.</p>	<p><i>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</i></p> <p>The PIE will be formally appointed by MoIT. The World Bank will sign the GCF Guarantee Agreement with the appointed PIE. The RSF is expected to start issuing RSF guarantees.</p>	
Output 1.2 Risk sharing facility – supporting PIE operation	Project Activity 1.2.1 Program implementation	Not yet started	0%
	<p><i>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</i></p> <p>The implementation of the Project Activity has not been started yet, as described in Section 2.1.</p>	<p><i>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</i></p> <p>The PIE will be formally appointed by MoIT. The World Bank will sign the GCF Guarantee Agreement with the appointed PIE. The RSF is expected to start issuing RSF guarantees.</p>	

⁴ Outputs and Activities reported here should be aligned with the Activities in the Logic Framework and Implementation Timetable of the project.

⁵ Activity Not Yet Due; Activity Started -ahead of schedule; Activity started – progress on track; Activity started but progress delayed; Activity start is delayed.

⁶ Implementation progress on a cumulative basis as of the date of the report.

Output 2.1 Technical assistance – capacity building	Project Activity 2.1.1 Capacity building for Project Management Board (“PMB”)	Not yet started	0%
	<p><i>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</i></p> <p>The implementation of the Project Activity has not been started yet, as described in Section 2.1.</p>	<p><i>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</i></p> <p>The Grant Agreement will be signed with Social Republic of Vietnam. The procurement of capacity building activities will be initiated.</p>	
	Project Activity 2.1.2 Capacity building for EE stakeholders	Not yet started	0%
	<p><i>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</i></p> <p>The implementation of the Project Activity has not been started yet, as described in Section 2.1.</p>	<p><i>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</i></p> <p>The Grant Agreement will be signed with Social Republic of Vietnam. The procurement of capacity building activities will be initiated.</p>	
Output 2.2 Technical assistance – national targeted EE program and pipeline development	Project Activity 2.2.1 Support to development and implementation of EE regulatory framework	Not yet started	0%
	<p><i>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</i></p> <p>The implementation of the Project Activity has not been started yet, as described in Section 2.1.</p>	<p><i>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</i></p> <p>The Grant Agreement will be signed with Social Republic of Vietnam. The procurement of technical assistance activities will be initiated.</p>	
	Project Activity 2.2.2 Support to EE pipeline development	Not yet started	0%
	<p><i>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</i></p> <p>The implementation of the Project Activity has not been started yet, as described in Section 2.1.</p>	<p><i>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</i></p> <p>The Grant Agreement will be signed with Social Republic of Vietnam. The procurement of technical assistance activities will be initiated.</p>	

2.4 PROGRESS UPDATE ON THE LOGIC FRAMEWORK INDICATORS⁷

2.4.1 PROGRESS UPDATE ON FUND-LEVEL IMPACT INDICATORS OF THE LOGIC FRAMEWORK

<i>Fund-level impact Core indicators⁸ (Mitigation)</i>	<i>Baseline</i>	<i>Current value⁹</i>	<i>Target (mid-term)</i>	<i>Target (final)</i>	<i>Remarks (including changes¹⁰, if any)</i>
Mitigation Core Indicator 1 <i>Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of Fund-funded projects/programmes</i>	0	0	1,400,000	6,100,000	Annual
	0	0	41 million	69 million	Lifetime
Mitigation Core Indicator 2 <i>Cost per tCO₂eq decreased for all Fund-funded mitigation projects/programmes</i>	0	0	5.1	4.8	
Mitigation Core Indicator 3 <i>Volume of finance leveraged by Fund funding (Disaggregated by public/private source)</i>	0	0	1.7 million	1.7 million	Public
	0	0	146.3 million	250 million	Private
Mitigation Impact Indicator 1 <i>Tonnes of carbon dioxide equivalent (tCO₂eq) reduced or avoided as a result of Fund-funded projects/programmes – industries sub-indicator</i>	0	0	1,400,000	6,100,000	Annual

⁷ Per the approved methodology in and the Logic Framework in the Funding Proposal, please provide an update on the relevant indicators.

⁸ As per the relevant indicators established in the Funding Proposal and the Performance Measurement Framework, including all indicators approved by the Board and relevant updates agreed with GCF, if applicable.

⁹ As of 31 December of the relevant year.

¹⁰ Related to the approved indicators and targets in the Logic Framework.

2.4.2 PROGRESS UPDATE ON PROJECT/PROGRAMME LEVEL INDICATORS OF THE LOGIC FRAMEWORK¹⁴					
Project/Programme indicators (Mitigation/Adaptation)	Baseline	Current value¹⁵	Target (mid-term)	Target (final)	Remarks (including changes¹⁶, if any)
Indicator 1 (Outcome level) 7.0 Mitigation: Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support – industries (GWh/year)	0	0	1,600	2,700	
Indicator 1.1 (Output level) Number of EE Sub-Projects	0	0	50	100	
Indicator 1.2 Number of IEs adopting improved EE technologies through the Funded Activity	0	0	35	75	
Indicator 1.3 Leveraged volume of financing for EE Sub-Projects by PFIs and IEs (USD million)	0	0	146	250	
Indicator 1.4 Number of loan officers trained	0	0	40	50	
Indicator 1.5 Number of IEs/ESCOs reached through workshops	0	0	160	200	
Indicator 1.6 Number of IEs certified for ISO 50001/EMS	45	45	70	90	

¹⁴ As per the relevant indicators established in the Funding Proposal and the Performance Measurement Framework, including relevant updates agreed with GCF, if applicable.

¹⁵ As of 31 December of the relevant calendar year.

¹⁶ Related to the approved indicators and targets in the Logic Framework or relevant FAA.

2.5 REPORT ON CHANGES DURING IMPLEMENTATION (include actual and expected changes)

Describe changes to the project during the reporting period. In particular, the report should cover elements such as change of beneficial ownership structure, management changes of the Accredited Entity, policies and other elements relevant for the project, and any other material change that could influence the overall outcome of the project.

No material changes have been made.

2.6 IMPLEMENTATION CHALLENGES AND LESSONS LEARNED

Describe implementation challenges faced during the last reporting period, including measures adopted and lessons learned. If any issues have arisen in the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project, please provide a description of those items and how they have impacted the implementation period and final targets.

Challenge encountered	Type¹⁷	Measures adopted	Impact on the project implementation¹⁸	Lessons learned and Other Remarks
COVID-19 might have affected target industrial enterprises' supply chains, which would have a knock-on effect on their EE investments by delaying them. This in turn could have a minor negative effect on the EE investment pipeline for the project.	Implementation.	At the moment project implementation is not expected to be affected or any changes to be needed to the project. The team will closely monitor and assess any impact once project implementation actually starts.	Minor	
	Choose an item.		Choose an item.	

¹⁷ Implementation; Legal; Financial; Environmental/Social; Political; Procurement; Other; AML/CFT; Sanctions; Prohibited Practices.

¹⁸ Minor/Solved; Moderate; High.

SECTION 4: REPORT PROJECT SPECIFIC ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS & GENDER

4.1 IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND GENDER ELEMENTS (max 1 page)

Please provide information on the project or programme on the following: (1) key risks and impacts as identified; (ii) compliance with applicable laws and regulations including FAA conditions and covenants; and (3) progress in the implementation of environmental and social management plans and programs including monitoring activities undertaken during the implementation of the funded activity.

(1) The information includes description on any changes in the key environmental and social risks and impacts as identified and arising from the implementation including any unanticipated risks and impacts (*ex. from changes in laws and regulations*) and, based on these if any change in the project's environmental and social risk category. In case of a change in the E&S risk category for the project, please provide an explanation.

Not applicable. The implementation of the funded activity has not been started yet, as described in Section 2.1.

(2) The information should include status of compliance with applicable laws and regulations of the country as well as the relevant conditions or covenants under the FAA. This can be captured in the table below:

Status of compliance with applicable laws and regulations and the conditions and covenants under FAA

Applicable laws and regulations/conditions and covenants	Status of compliance
FAA 11.02 (h) Contractually require the PIE and MoIT as Executing Entities under the GCF Guarantee Agreement and the Grant Agreement, respectively, to undertake and/or put in place measures to ensure that the management of the environmental and social risks and impacts arising from the GCF Funded Activity complies with the recommendations, requirements, and procedures set forth in the Environmental and Social Management Framework (“ESMF”), Resettlement Policy Framework (“RPF”) and Ethnic Minority Planning Framework (“EMPF”), which were provided by the Accredited Entity to the Fund before the Approval Decision, as may be updated, amended or supplemented from time to time in accordance with the Accredited Entity’s policies and procedures (and in such cases, the updated, amended or supplemented ESMF, RPF or EMPF shall be provided by the Accredited Entity to the Fund as soon as practicable);	The Grant Agreement is at the final stage of negotiations. The current draft includes the requirements under the relevant FAA clause. The GCF Guarantee Agreement will be negotiated with the PIE once the PIE is formally appointed by MoIT.
FAA 11.02 (i) Contractually require the PIE and MoIT as Executing Entities under the GCF Guarantee Agreement and the Grant Agreement, respectively, to cause to be taken all actions to acquire as and when needed all land and rights in respect of land that are required to carry out the GCF Funded Activity. The Accredited Entity shall promptly furnish to the Fund, upon its request, evidence that such land and rights in respect of the land are available for the purposes of the GCF Funded Activity, if such evidence has been made available to the Accredited Entity by the Executing Entity. The Accredited Entity shall contractually require the relevant Executing Entity under the GCF Guarantee Agreement and the Grant Agreement to provide such evidence upon the Accredited Entity’s request.	The Grant Agreement is at the final stage of negotiations. The current draft includes the requirements under the relevant FAA clause. The GCF Guarantee Agreement will be negotiated with the PIE once the PIE is formally appointed by MoIT.
FAA 11.02 (j) Contractually require, monitor and take appropriate measures to ensure that the Executing Entities under the relevant Subsidiary Agreements comply with the requirements of the Accredited Entity’s policies and procedures on indigenous peoples that enable the Accredited Entity, through the Executing Entities, to comply with the requirements of the Fund’s Indigenous Peoples Policy.	The Grant Agreement is at the final stage of negotiations. The current draft includes the requirements under the relevant FAA clause. The GCF Guarantee Agreement will be negotiated with the PIE once the PIE is formally appointed by MoIT.
FAA 11.02 (k) Contractually require the PIE and MoIT as Executing Entities under the GCF Guarantee Agreement and the Grant Agreement, respectively, to, if required under the	The Grant Agreement is at the final stage of negotiations. The current draft includes the requirements under the relevant FAA clause. The GCF Guarantee Agreement will be negotiated

ESMF, ensure that an Environmental and Social Management Plan (“ESMP”) related to the relevant construction works or activities to be executed is prepared prior to commencing those works or activities. The Accredited Entity shall furnish to the Fund, upon request, a copy of such ESMP that has been received from the relevant Executing Entity in accordance with the Accredited Entity’s policies and procedures	with the PIE once the PIE is formally appointed by MoIT.
FAA 11.02 (l) Apply in accordance with its own policies and procedures, its own fiduciary principles and standards relating to AML/CFT in the implementation of the Funded Activity	The Grant Agreement is at the final stage of negotiations. The current draft includes the requirements under the relevant FAA clause. The GCF Guarantee Agreement will be negotiated with the PIE once the PIE is formally appointed by MoIT.

(3) Provide a report on the progress made in implementing environmental and social management plans (ESMPs) and frameworks (ESMFs) describing achievements, and specifying details outlined in the tables below.

Implementation of management plans and programmes

(i) activities implemented during the reporting period, including monitoring	(ii) outputs during the reporting period	(iii) key environmental, social and gender issues, risks and impacts addressed during implementation	(iv) any pending key environmental, social and gender issues needing accredited entity’s actions and GCF attention
No activity has been implemented yet	n/a	n/a	n/a

Additionally, include a description of the actions undertaken towards increasing the relevant stakeholders’ engagement in the project environmental, social and gender elements, and a list on the grievances received in the reporting period that will include at least the description of the grievance, the date the grievance was received, and the resolution of the grievance.

Information below in this sub-section should be provided for all projects regardless of the E&S risk category for the project

Implementation of the stakeholder engagement plan

(i) activities implemented during the reporting period	(ii) dates and venues of engagement activities	(iii) information shared with stakeholders	(iv) outputs including issues addressed during the reporting period
No activity has been implemented yet	n/a	n/a	n/a

Implementation of the grievance redress mechanism

(i) description of issues/complaints received during the reporting period	(ii) status of addressing issues/complaints
No grievance received yet	n/a

Grievance redress mechanism will be established upon the signing of the Grant Agreement and the GCF Guarantee Agreement.

4.2 GENDER ACTION PLAN

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved as a result of completion of an activity. Further it should also indicate if the project is on track to achieving the intended outcome(s).

The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include a reporting on any changes or deviations.

Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced.

Incorporate both quantitative data and qualitative report of the performance of such actions, and on progress on actions identified.

The implementation of the funded activity has not been started yet, as described in Section 2.1. Therefore, the gender action plan has not yet been implemented either. From the Gender Action Plan, the following four activities are selected for monitoring during implementation as the indicators are well aligned with the key objectives of the country's gender action plan, including promoting economic empowerment of Vietnamese women, promoting female entrepreneurship and increasing employment for women through training and awareness raising. The target values will be determined in discussion with the MoIT and PIE once project implementation starts.

4.2.1 PROGRESS ON IMPLEMENTING THE PROJECT-LEVEL GENDER ACTION PLAN SUBMITTED WITH THE FUNDING PROPOSAL.

Activities/actions	Indicators	Baseline	Targets, including sex-disaggregated targets	Budget	Report on annual progress
<p>Providing tailor-made, preferential and concessional EE loans targeted specifically at SMEs, including those owned/led by women;</p> <p>Develop specific outreach/information programs for women-owned/led SMEs to become familiar with EE loans;</p> <p>Identify and address specific financial service needs of women-owned/led SMEs to access EE loans</p>	Rate of EE loans provided to SMEs owned/led by women	0%	TBD	USD 30,000	Not yet started
Training of IE managers to raise awareness of the relevant gender issues (recruitment, gender-sensitive working conditions, equal remuneration, promotion)	Number of IE managers trained	0	TBD	Incorporated in training activities under Component 3	Not yet started



PFI staff training to raise awareness of the relevant gender issues	Number of PFI staff trained	0	TBD	Incorporated in training activities under Component 3	Not yet started
Training to women-owned/led SMEs to become clean energy entrepreneurs with the capacity to deliver energy efficiency – related goods and services to various sectors	Number of training course offered to women-owned/led SMEs	0	5	USD 20,000	Not yet started

4.3 PLANNED ACTIVITIES ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Provide a list of activities in the ESMP to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning ESS (including other potential vulnerable groups and indigenous people) for the next annual reporting period.

Once the Grant Agreement becomes effective, the following activities will be conducted with regards to environmental and social safeguards:

- Provide trainings on ESMP, environment and social risk assessment for implementing agencies and related stakeholders
- Development of report templates for environment/social risk screening, risk assessment, and mitigation solutions
- Due diligence report(s) for subproject inclusion and pipeline

4.4 PLANNED ACTIVITIES ON GENDER ELEMENTS

Provide a list of activities in the gender action plan to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products including processes that will be involved to implement the activities effectively. Please include the monitoring schedule concerning gender activities for the next annual reporting period.

Report on actions taken on any of the recommendations made by the secretariat (if applicable) to improve the level of integration of gender issues in the project.

Once the Grant Agreement becomes effective, the following activities will be conducted with regards to gender elements:

- Provide IEs and PFIs with trainings on relevant gender related issues
- Provide training on business opportunities related to EE and clean energy to women-owned/led SMEs
- Develop financing instruments and outreach/information program targeting women-owned/led SMEs

