

WB approves \$102 million to help VN improve energy efficiency in industry

Date: 18 April 2017

Source: VIETNAMNET Bridge

The World Bank has approved a US\$102 million loan to Vietnam to support the effort of industrial enterprises to adopt energy-efficiency technologies and practices.



Under this project, industrial enterprises can access a new line of credit to fund their purchases of energy-efficiency and production-optimisation technologies, thus reducing energy consumption and production costs and increasing their overall competitiveness in the domestic and international markets.

With the support of the project, financial institutions and industrial enterprises will be able to prepare, evaluate and appraise energy efficiency projects.

This will create a new line of business for financing institutions, providing loans to support industrial energy-efficiency investments, which will enable them to scale up energy-efficiency lending to industries.

The World Bank's Country Director for Vietnam, Ousmane Dione, said the bank is committed to support Vietnam's drive to meet its future energy demand and improving energy efficiency is the single best and cheapest option.

He explained that it will help consumers save energy and reduce the need for new thermal power generation, while also reducing pollution and mitigating the risks of climate change.

Dione added that if stronger programmes and policies are put in place, businesses would also have the incentive to cut down on wasteful practices and adopt more energy-efficient technologies.

Funding under this project will be provided to participating financial institutions, which will then lend to industrial enterprises to invest in energy-efficient subprojects.

Of the US\$158 million, US\$100 million comes from the International Bank for Reconstruction and Development, the financing resource for middle-income countries, and US\$1.7 million is from the International Development Association, the Bank's fund for the poorest countries.

The rest of the project's funding will come from the Vietnamese government and participating financial institutions.