

Remarks for Ms. Andrea M. Lupo
Director for Global Programs at USTDA
“Vietnam-U.S. Business Partnership for Energy Development”
November 3, 2015

- Good morning. Thank you for that kind introduction, and I would like to thank the Embassy of Vietnam for inviting me to be here today. On behalf of the United States Trade and Development Agency (USTDA), it is a pleasure to join you and discuss ways we can strengthen the United States’ partnership with Vietnam to support energy development.
- We are fortunate at USTDA as we have had a long standing relationship with the Government of Vietnam, which has resulted in a robust and growing portfolio of infrastructure projects that promotes the strategic partnership between our two countries, as well as the United States’ trade relationship with the broader Southeast Asia region. And the energy sector is a key part of our portfolio’s focus.
- Through our work, USTDA is engaged in a variety of efforts designed to further strengthen economic and technical cooperation between the U.S. and Vietnam. These efforts enable our Agency to carry out its unique mandate: which is to invest in projects that support long-term economic growth in our partner countries, while also identifying business opportunities for U.S. companies.
- We accomplish our mission by providing grants directly to Vietnamese project sponsors to support the early project planning activities needed to develop priority infrastructure projects. Our funding is used to provide **access, opportunity, and support** to each of our project sponsors so that they have all the tools they need to take a project forward for implementation.

- Our grants support feasibility studies, technical assistance, institutional capacity building, as well as pilot projects to prove certain technological solutions are viable for a specific market, to provide our clients with the best possible long-term development solutions.
- We also host reverse trade missions that bring our Vietnamese project sponsors to the United States to introduce them to U.S. products, services, and solutions so that they may see how these technologies are designed and manufactured and learn how they operate.
- These activities have produced results for both U.S. industry and our Vietnamese partners. It is truly a win-win scenario: U.S. companies are provided access to the development of priority infrastructure projects in Vietnam, while our partners in Vietnam are provided access and insight into the latest, most appropriate technologies to meet their needs.
- Since USTDA opened its program in Vietnam, we have sponsored nearly 80 infrastructure development activities. These efforts have expanded access to power, increased the availability of clean water, and modernized Vietnam's aviation infrastructure.
- These activities are set in the context of Vietnam's dynamic energy landscape. It is estimated that electricity demand will continue to grow at ten to twelve percent per year, more than tripling between 2011 and 2020. According to the U.S. Energy Information Administration, the installed generation capacity in Vietnam is expected to increase from over 40 gigawatts in 2015 to nearly 140 gigawatts by 2030. As such, sufficient investment in power generation and transmission and distribution will be critical to meet this demand.

- USTDA is committed to partnering with Vietnam to meet these growing demands by developing modern infrastructure, diversifying energy resources and improving power distribution.
- For example, USTDA is working with the Electricity Regulatory Authority of Vietnam to help meet the country's growing demand for wind power. More specifically, USTDA provided technical assistance that helped develop a wind grid interconnection code, which allows for the integration and interconnection of new wind power generation.
- USTDA also brought wind power project developers from Vietnam to the United States to meet with U.S. wind turbine manufacturers and the Export-Import Bank of the United States (Ex-Im Bank). We are pleased that one of those companies that came on the USTDA-sponsored mission, Cong Ly Construction and Trading Company, is deploying a multi-phase 100 megawatt wind power project in Bac Lieu with financing from the Ex-Im Bank.
- To further support our Cong Ly partners, earlier this year, USTDA provided grant funding for a feasibility study for the Bac Lieu wind farm's planned third phase, which has the potential to generate follow-on transactions for up to 300 megawatts of additional wind power.
- However, USTDA is not just involved in supporting wind energy development in Vietnam. We are pursuing a number of innovative renewable energy and energy efficiency investments as well, most notably, the development of smart grid solutions across the country.
- Smart grids are one of the most effective and efficient means by which to distribute and consume power. For this reason, USTDA has been a strong proponent of smart grid development in Vietnam and throughout ASEAN.

- We sponsored a smart grid workshop in Hanoi that brought officials from across the region together to share best practices and identify tools that can help them improve the reliability of their electrical grids. We also supported a follow-on reverse trade mission to the U.S. for Vietnamese officials to allow them to meet with U.S. companies and observe cutting-edge technologies in action.
- Our partnership with Vietnam has focused on providing access to the best technologies and the best solutions for the sustainable development of additional energy resources for the citizens of Vietnam; and this not only includes how the projects are developed, but it extends to how these projects are implemented in country.
- With USTDA's strong background in project development, the Agency is well-positioned to identify problems and challenges that most often occur throughout the project life-cycle, and as a result, one of the greatest lessons we have learned is that procuring quality goods and services can make the difference between successful project implementation and overall disappointment and failed outcomes.
- USTDA knows from experience the importance of using tools such as life cycle cost analyses and best value determinations in procurement decisions. These tools allow governments – including the U.S. government – to make informed decisions that take into account all relevant costs of goods and services over their entire life cycle, leading to smarter, longer-term investments with overall cost-savings. It also opens the door for greater international competition, welcoming more innovative technologies.
- This is why USTDA launched the Global Procurement Initiative: Understanding Best Value (GPI) in 2013 to share best practices and ensure that our public sector partners were getting the best value for their money when implementing these large infrastructure projects.

- In working closely with our Vietnamese partners, we know that Government of Vietnam is dedicated to obtaining greater quality in all of its public procurements; and in fact, I'm delighted to say that last year, Vietnam became an official partner country under the GPI.
- Since joining the GPI, USTDA has worked with the Public Procurement Agency under the Ministry of Planning and Investment to train more than 150 procurement officials across the country on the use of best value determinations and life-cycle cost analysis. And following these trainings in country; USTDA sponsored a smaller delegation of Vietnam procurement officials to visit the United States to observe best practices in value-based procurement at the federal, state, and local levels.
- As Vietnam looks to make significant investments in energy over the coming years, through our GPI partnership we aim to work together to ensure better project outcomes and sustainable economic development.
- Finally, USTDA is collaborating with the U.S. Departments of State, Commerce, and Energy to sponsor the U.S.-ASEAN Energy Infrastructure Symposium and Reverse Trade Mission this December. We are designing the event to foster U.S. and ASEAN partnerships in clean power generation and grid modernization projects across ASEAN Member States. The delegation will consist of high-level public and private representatives from Vietnam and other ASEAN economies.
- The Symposium and RTM will help convene key U.S. and Vietnamese representatives from the public and private sectors to strengthen dialogue and economic engagement to help Vietnam meet its priority energy infrastructure goals.

- As I hope can see from the level of USTDA's engagement in Vietnam and specifically in the energy sector, our Agency is committed to identifying additional opportunities to leverage U.S. private sector expertise to meet energy demands in Vietnam and throughout the region.
- I believe today's discussion will help us determine opportunities for future partnership, and I look forward to the conversation.