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VIETNAM URBAN ENERGY SECURITY (VUES)

Inception Phase Work Plan

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ACRONYMS AND ABBREVIATIONS

CFA	Call for Applications
CLA	Collaborating, Learning, and Adapting
COP	Chief of Party
DCOP	Deputy Chief of Party
DO	Development Objective
DOIT	Department of Industry and Trade
ERAV	Electricity Regulatory Authority of Vietnam
EV	Electric Vehicle
EVN	Electricity of Vietnam
GUC	Grant Under Contract
GVN	Government of Vietnam
IET	Inception Engagement Team
IFC	International Finance Corporation
IPTL	Inception Phase Team Leader
MEL	Monitoring, evaluation, and learning
MOIT	Ministry of Industry and Trade
MW	Megawatt
NGO	Nongovernmental Organization
PDP	National Power Development Plan
PPP	Public-Private Partnership
RSPV	Rooftop Solar Photovoltaic
TOCOR	Task Order Contracting Officer's Representative
USAID	U.S. Agency for International Development
V-LEEP	Vietnam Low Emission Energy Program
VUES	Vietnam Urban Energy Security

INTRODUCTION

This Inception Phase Work Plan describes the interventions and activities required to meet the Vietnam Urban Energy Security Activity (VUES) outputs, expected results and deliverables. It covers the first 6 months from the date of contract award from October 1, 2019 to March 30, 2020. The work carried out during this six-month period will serve as a detailed design for the remaining three and a half years and will allow the VUES team to begin the often-lengthy process of project approval, selection of cities for inclusion in the VUES, and development of the detailed implementation work plan.

The Inception Phase Work Plan covers activities to be conducted in Hanoi and in the six short listed cities during the Inception Phase of the project and includes:

- 1) The development of a clear and concise rationale and methodology for the ranking and selection of cities for the Implementation Phase of the project;
- 2) A description of activities and sub-activities that address the Inception Phase scope of work and deliverables;
- 3) Information on how VUES will engage with stakeholders and conduct the co-creation process; and
- 4) Timelines for implementing inception phase activities.

The VUES Period of Performance covers 4 years as follows:

- Year 1: October 1, 2019 to September 30, 2020
- Year 2: October 1, 2020 to September 30, 2021
- Year 3: October 1, 2021 to September 30, 2022
- Year 4: October 1, 2022 to September 30, 2023

PROJECT GOALS AND OBJECTIVES

VUES directly supports USAID Vietnam’s Development Objective (DO2) of the 2014-2018 Country Development Cooperation Strategy: “Capacity strengthened to protect and improve health and well-being”. The VUES objectives in support to cities are to:

1. Improve enabling policies, regulations, and city-level plans/programs for the deployment of resilient, distributed energy services.
2. Mobilize public and private sector investment for the deployment of advanced, distributed energy systems.
3. Increase adoption of innovative technologies, practices, business and financing models for advanced, distributed urban energy solutions.

The VUES project’s objective and associated activities are linked to DO2 Intermediate Result Increased adoption of approaches to achieve climate-smart development, resilience and biodiversity conservation.

The overall goal of USAID’s VUES project is “Advanced, distributed energy solutions deployed to improve urban energy resilience and energy security” in Vietnam. At its completion, the VUES project must achieve the following high-level expected results¹:

1. At least 400 megawatts (MW) of advanced, distributed energy systems deployed in the selected cities.
2. At least \$600 million in public and private investment mobilized for advanced, distributed urban energy systems.
3. At least 20 innovative solutions to address urban energy and environment issues demonstrated and/or commercialized.

SCOPE OF WORK

USAID’s VUES program is meant to increase the deployment of advanced, distributed energy solutions in urban areas by implementing technical assistance and training in the three parallel and intertwined components that tie to the VUES objectives:

- Component 1 (C1): Improved Enabling Environment
- Component 2 (C2): Enhanced Private Sector Investment
- Component 3 (C3): Demonstrated and Deployed Innovative Solutions

In addition, VUES has a Grants under Contract fund to lower risk to local financial institutions and companies and to encourage and reward collaboration of private sector and local entities to introduce innovative equipment, technologies and approaches with significant potential for scaling up and replication.

VUES provides a combination of short- and long-term technical assistance to the Government of Vietnam at the national and city level, to NGOs, and private sector partners. VUES will primarily use full time staff, short term technical assistance to deliver U.S. Government Assistance. VUES will also use subcontracts and the grants under contract to implement activities, take advantage of unforeseen opportunities, and provide additional support.

MANAGEMENT AND ADMINISTRATION

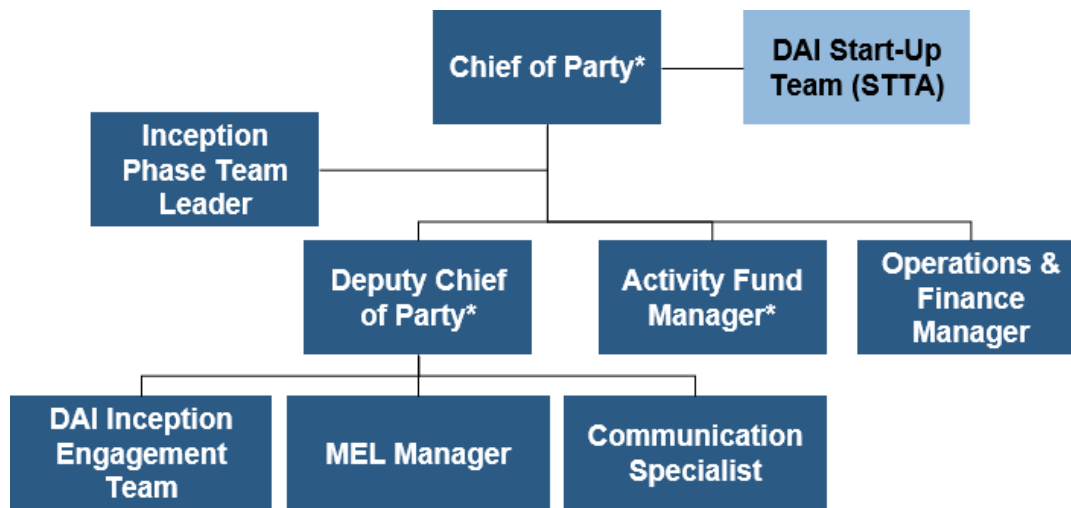
USAID/Vietnam will provide overall management and technical direction to VUES through the Task Order Contracting Officer Representative (TOCOR). The TOCOR is responsible for monitoring the project’s quality and effectiveness. The TOCOR is also the focal point for the co-creation process and will work closely with the Inception Engagement Team (IET) in the design of the work plan and initial stakeholder interface. USAID also provides guidance to the VUES Management Team in Monitoring, Evaluation, and Learning, Gender, and other areas to ensure compliance with USAID requirements.

During the inception phase, VUES will use a mix of core long-term staff including the Chief of Party (COP), Deputy Chief of Party (DCOP), Activity Fund Manager, Operations & Finance Manager and short-term staff who will support key inception phase deliverables. The day-to-day management and implementation of Inception Phase activities will be led by the Inception Phase Team Leader (IPTL). The IPTL will work hand-in-hand with the COP and with USAID to ensure the quality and timeliness of

¹ Note that the “high level” results are described in more detail in the VUES Monitoring and Evaluation (M&E) Plan.

inception phase deliverables and who will facilitate activities on the ground during inception. The IPTL will coordinate closely with, and report to, the COP, and will oversee the work of the IET. The IET, composed of DAI staff and consultants, will conduct the market assessment and ecosystem mapping activities, support city-level consultations, and provide technical inputs to Inception Phase deliverables. Figure 1 presents the Inception Phase management structure.

FIGURE 1: INCEPTION PHASE MANAGEMENT STRUCTURE



STAKEHOLDER ENGAGEMENT

VUES will engage closely across a range of key stakeholders during this period. We recognize that *effective engagement during the inception phase will underpin successful implementation of the project, including timely approval of project documents.*

With USAID, we see co-creation and building a close working relationship as fundamental to project development and implementation. Immediately following award, we scheduled a kickoff teleconference with the TOCOR and Contracting Officer to discuss the scope of work, confirm mobilization plans, and determine immediate next steps. Additionally, an in-person kick off meeting is scheduled one month into the project to discuss progress to date and review the submitted deliverables including the Inception Phase Workplan, the Activity Monitoring, Evaluation and Learning Plan, the Activity Fund Manual, and the Branding and Marking Plan.

Throughout the inception phase, we will collaborate closely with USAID through meetings, workshops, and ongoing communication to co-create inception and implementation details. This includes the national-level workshop on advanced, distributed energy solutions for urban areas and two city-level co-creation workshops which will contribute to the implementation phase workplan. These are further discussed below in Activity 3: Technical Design. Throughout the project, we will share information openly with USAID via phone calls, meetings, and reports and deliverables.

With the Government of Vietnam (GVN), we will coordinate at two levels:

National. Following discussions with USAID, we will formally request a meeting with MOIT, Department of Electricity and Renewable Energy. With the Director of that office, we will discuss the project approval process and possible technical assistance at the national level, as

well as the city selection process and the grants under contract. We will also meet with Electricity Regulatory Authority of Vietnam (ERAV) and Electricity of Vietnam (EVN).

City-level. The team will set meetings with counterparts, first with USAID reaching out to the Department of Foreign Affairs and then to the DOIT in each city. This will set up the initial round of meetings and help to provide data for the city selection process. Once a city is selected, VUES staff will work with DOIT and engage them alongside USAID in the co-creation work planning process.

With the Public and Private Sector

Public Sector. Concurrent with national level GVN meetings, we will set meetings with Hanoi based counterparts from other donors and from other USAID and other donor projects, including V-LEEP and the World Bank/KOICA-funded Vietnam Scaling Up Energy Efficiency Project to clarify our scope of work, identify areas where joint planning will support achievement of objectives, and establish working relationships with project teams. The purpose of this engagement is to learn from experiences, avoid duplication, and find avenues to leverage shared work such as building off existing pipelines of city-level projects that need additional assistance to reach financial closure or operational status. With V-LEEP, we will also identify activities that the project will close out at the national level that can be taken up by VUES at the city level. The Donor projects and donor offices will be met during the first round of trips to the cities.

Private Sector. we will initiate engagement as part of the inception phase during the city visits and then via the market assessment and ecosystem mapping activity, to identify the most relevant players in each city where we will work. In each city, we will solicit input from the private sector as part of the co-creation process to ensure that we capture their interests and ideas alongside those of city government stakeholders. We will also meet with representatives from business associations and chambers of commerce to familiarize them with the project, explain how the Activity Fund will work, and publicize the national workshop.

Throughout our outreach and engagement, we will work closely our colleagues on INVEST to ensure efficiency, share findings, and avoid duplication where appropriate.

GENDER

During the Implementation Phase and once the cities are known, we will develop a Gender and Social Inclusion Action Plan that further defines how activities under each objective will ensure equitable access to and participation in distributed energy opportunities for women and marginalized populations. We will also “practice what we preach”— aiming for gender equity and social inclusion in hiring and working to ensure that project staff by the Implementation Phase are balanced by gender, that diversity is a consideration in hiring, and that offices and training locations are chosen with gender considerations in-mind and accessible to persons with disabilities. In grants, we will develop a competitive application process that aligns with the ADS and FAR, ensures gender and social inclusion among grantees, and incorporates co-creation with shortlisted applicants.

INCEPTION PHASE WORK PLAN

The Inception Phase Work Plan lays the groundwork for the Implementation Phase and describes the activities and deliverables that are required to create a detailed project design for implementation. This includes the prioritization and selection of cities, market assessment of technologies and solutions, development of project approval documents, and at least one city with a signed MOU.

ACTIVITY I: MOBILIZATION AND FOUNDATION

This activity is designed to mobilize the project Inception Team and carryout sub-activities that provide the foundation for the other Inception Phase activities such as in-depth discussions with USAID on the statement of work, literature reviews, and preliminary meetings with Key Stakeholders.

SUB-ACTIVITY I.A: INCEPTION TEAM DEPLOYS TO HANOI

The initial Inception Engagement Team deployed to Hanoi after project award. The IPTL, [REDACTED] and Project Manager, [REDACTED] arrived in Hanoi in the first week of October and have begun the process of starting an office, hiring staff, completing registration, and developing the detailed work plan.

SUB-ACTIVITY I.B: DISCUSSIONS WITH USAID

Due to the co-creation nature of the work planning process, the team will meet frequently with USAID as all aspects of the inception phase unfolds from clarifying the statement of work to meeting with stakeholders to selection of cities and innovative solutions. Informal discussions with USAID will be held throughout the process.

SUB-ACTIVITY I.C: LITERATURE REVIEW

There has been a lot of work carried out in Vietnam in the main areas of VUES and the team seeks to take advantage of that work in preparing its work plan, determining obstacles and barriers to great penetration of advanced, distributed energy solutions, identifying market opportunities and leveraging the work of others as VUES unfolds.

The literature review will also serve as starting point for mapping donor activities so as to avoid duplication, reduce donor fatigue and take advantage of opportunities to leverage their work.

SUB-ACTIVITY I.D: INITIAL STAKEHOLDER MEETINGS

The team will conduct initial meetings with key stakeholders in Hanoi and Ho Chi Minh city to update recent studies and assessments and gather important information that may not be available from the literature review. Included in this list of key stakeholders are:

- Ministry of Industry and Trade (MOIT), the Provincial Department of Industry and Trade (DOIT) and, the Provincial Department of Science and Technology.
- Electricity Regulatory Authority of Vietnam (ERAV)
- Vietnam Electricity (EVN) and City Electricity Companies
- World Bank
- International Finance Corporation (IFC)

- Asian Development Bank
- European Union
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- United Nations Development Programme (UNDP)
- Private Finance Advisory Network (PFAN)
- VLEEP
- American Chamber of Commerce of Vietnam
- Vietnam Energy Association
- VinBus
- Vinfast
- Solar BK
- Indochina Energy Partners
- HSBC
- Vietcombank
- And other private sector players.

SUB-ACTIVITY 1.E: MONITORING, EVALUATION, AND LEARNING PLAN (MEL)

Our MEL Plan will include three expected outcomes explicitly outlined in the contract along with annual targets. DAI has proposed output and outcome indicators, including some Standard F indicators. Annex I, Tables IA and IB present the overview and targets. These indicators will be disaggregated by sex, age, and ethnicity when possible and we will set life-of-project targets in consultation with USAID/Vietnam following baseline data collection.

ACTIVITY 2: SELECTION OF CITIES AND GVN COUNTERPART

VUES will work at the city level in addition to working at the national level. The following cities are eligible for inclusion the VUES activity: 1) Special Grade cities (Hanoi, Hai Phong, and Ho Chi Minh City) and 2) Grade I cities such as Thanh Hoa, Ha Long, Viet Tri, Thai Nguyen, Nam Dinh, Vung Tau, Buon Ma Thuot, Da Lat, Quy Nhon, Nha Trang, Hue, Vinh, Can Tho, Da Nang and Hai Phong. However, the program can effectively only work in one or two of these cities.

This activity focuses on short listing 6 of the eligible cities, applying a detailed set of selection criteria to prioritize the remaining six and will ultimately result in at least two cities selected to work with the VUES project. Table I describes some of the tools used in this activity.

TABLE I: PREPARATORY WORK FOR CITY OUTREACH

TOOL	PURPOSE	IMPLEMENTATION MECHANISM
Literature Review (Sub-Activity 1c)	Deepen project team knowledge of current and planned energy investment,	Desk research by the IET, DAI expatriate experts and local experts

	regulatory regime, and technology uptake in Vietnam’s Special Grade Cities and Grade I Cities; review ongoing projects and planned interventions.	
Rapid private sector scan	Identify key private sector players, such as the Vietnam Chamber of Commerce and Industry, in the energy market across cities; meet with staff from the INVEST Vietnam and Infrastructure Transaction Assistance Network buy-ins to articulate each project’s scope, avoid duplication of effort, and clarify each activity’s planned analyses ahead of the market assessment.	Purchase order to local research organization or consultant; long- term project staff
Consultative meeting guidelines	Develop guidelines to structure engagement with city government officials and other city-level stakeholders, ensuring consistent quality of findings and clear interactions and expectations.	Long-term project staff with IET support, USAID

SUB-ACTIVITY 2.A: DEVELOP SELECTION CRITERIA

In choosing cities, there are a variety of factors to be considered. Clearly, the potential quantum of energy generated or saved is important. Also, the general business environment is important as an indicator of the “ease of doing” business. Other important indicators measure the willingness of cities to take the steps necessary to encourage and guide private sector investment and to adopt these solutions in their own operations. Selection criteria will be obtained from the literature review and meetings with key stakeholders at the national level. It will include quantitative criteria such as:

- Population
- Total electricity consumption by sector
- The City or Provincial GDP
- Smart cities pilot projects
- The city’s own consumption of energy
- Planned fleet acquisitions such as the Hanoi electric vehicle (EV) bus program.
- Provincial Competitiveness Index
- Consumption of electricity by customer groups such as hotels, warehouses, and certain kinds of industry

This step will allow the team in coordination with USAID to short list six of the eligible cities. It is expected that this shortlisting will be completed within 20 days of contract award.

Ideally this shortlisting would have included additional quantitative and qualitative data that provide insight into city level project pipelines and potentials, the energy efficiency and renewable energy potentials of each city and other important decisional metrics. However, we understand there are a number of factors that are driving an accelerated timeline at the initial city shortlisting, so will look to include these factors into the next round of prioritization as described below.

SUB-ACTIVITY 2.B CITY SITE VISITS AND PRIORITIZATION

Readily available data will be sufficient to short-list the six cities but much more detailed information will be needed to rank them and to finally select the cities for implementation. This will require meetings with city departments, project developers, the local utility companies, banks, and donors active in the area to understand their ongoing work, current priorities, and any identified challenges they’d like VUES and USAID to focus on. Additional data we will consider is likely to include the number of projects that have not yet reached financial closure, or those that are being held up for other reasons, the energy

efficiency and renewable energy potential of each city's market, the existence of other donor projects, and other energy indicators. They will also include indicators of the investment potential, business climate of the city, willingness of the city to implement advanced and distributed energy services and other such measures.

DAI will conduct the site visits with three teams. Each team will be composed of an expatriate energy specialist and local energy specialist. The teams will allot up to five days for each city. The purpose of these visits is to understand the opportunities and obstacles to greater deployment of advanced, distributed energy solutions and collect additional data. These metrics should also detail the status of projects in the development pipeline. Detailed notes will be kept for all meetings.

With additional information collected during the site visits, this sub-activity will rank the six cities. It is expected to provide the basis for ranking and the recommendation for final selection of the VUES cities as well as to provide input detailed implementation work plan. The VUES team will produce a report that outlines the key criteria for selection of cities/urban areas, offers an assessment of at least six urban areas against the selection criteria based on literature review, and recommends two cities/urban areas for implementation. In addition, we will submit with this report the IET's documentation of the outreach and consultation process with city government and key stakeholders, in alignment with the guidelines established above.

SUB-ACTIVITY 2.C: FORMAL CITY COMMITMENT

Following the completion of sub-activity 2.B., the team together with USAID will re-engage with the two selected cities to obtain formal commitment to participate in the VUES activity. It is anticipated that this commitment will be in the form of an MOU. This is also an additional step to make sure that the implementation work plan is aligned with the city's objectives.

SUB-ACTIVITY 2.D DRAFT PROJECT APPROVAL DOCUMENTS

Once the cities have been selected and commit to VUES, three steps are important to the successful completion of this sub-activity: (1) determining the kind of activities that are best suited for that city, (2) determining the national level interventions, if any, that are critical to the city level interventions, and, (3) getting agreement from the national counterpart. Once the cities have been selected and detailed activities agreed upon, the VUES team, working with USAID, will prepare draft project approval documents. At the same time, we will work with MOIT, Department of Electricity and Renewable Energy, the presumed national counterpart, to identify any national level activities that are needed to support city level interventions. This will help to assure MOIT buy-in and ensure that there are no major national level obstacles facing the city level implementation. An example of this is the lack of storage for rooftop solar in the national level feed-in tariff policy. A significant increase in rooftop solar photovoltaic (RSPV) in one distribution grid could cause system issues if congestion or lack of generation prevent adequate supply. Load-shedding might be the only available solution in the absence of a policy that requires and rewards storage. In this case, the VUES team would work with MOIT and ERAV to see that the policy is adjusted.

We recognize that the People's Committees in selected cities may be reluctant to sign formal agreements with VUES until the GVN counterpart advances the project approval document. We will therefore engage city-level stakeholders in the project planning processes, document joint planning, and mutual goals, and develop a basic memorandum of understanding that outlines these goals and plans and explains how the city and VUES will work together.

DELIVERABLES:

- These sub-activities will culminate in a detailed report defining the criteria, documenting data sources, providing a justification for their inclusion, and finally the ranking of cities based on the

application of the criteria. The report will also include notes of the detailed consultations with key stakeholder in each of the six cities.

- At least one city committed to VUES in writing.

ACTIVITY 3: TECHNICAL DESIGN

SUB-ACTIVITY 3.A: MARKET ASSESSMENT

In order to boost investment and reduce costs to individual investors, DAI will conduct at least four market assessments for new solutions such as RSPV, electricity storage solutions, or electric vehicle (EV) charging stations. The areas of these market assessments will be selected based on our early discussions with key stakeholders and the results of our literature review. It is anticipated that the assessments will begin in the second month of the project. The market assessment will also specifically identify potential business opportunities for women, people with disabilities, and other marginalized groups. The ecosystem map will contextualize the market assessment and elucidate the players and potential for innovation facilitation and private sector engagement in each city.

SUB-ACTIVITY 3.B: DETAILED IMPLEMENTATION WORK PLAN

Once the cities have been selected, approved by USAID, and have formally acknowledged participation in VUES, the detailed work plan will be developed through a co-creation process with USAID and the VUES counterparts in each city. The first part of the co-creation process will be carried out in the detailed interviews during the city selection process and will lead to jointly agreed upon priority assistance areas and high-level interventions. The detailed work plan will be based on both the research and detailed city consultations undertaken in Activity 2 as well as any information from Market Assessments that will be underway. Similar to the city selection process, DAI will field two teams to work simultaneously with the two selected cities. The second part of the co-creation process will take place after the detailed implementation plans are drafted and approved by USAID. This is discussed below in Section 3.D.

The Phase II detailed interventions will be structured around the three project objectives (components) of improving the enabling environment, mobilizing public and private sector investment, and fostering innovation, Figure 2. We will also develop a Gender and Social Inclusion Action Plan that further defines how activities under each objective will ensure equitable access to and participation in distributed energy opportunities for women and marginalized populations. When executed together, these four key areas of focus will make a lasting contribution to Vietnam's energy security and journey to self-reliance.

The VUES Implementation work plan will lay out the hierarchy through which technical assistance and grant funding are planned and implemented, as shown in Figure 2. The highest level is comprised of the components, each of which has 2 or more activities. The activities are comprised of a number of sub-activities that we anticipate will continue for multiple years (e.g., assisting DOIT on developing implementing rules and regulations to streamline RSPV). Table 2 lays out the structure of the work plan that will be developed, following the work plan hierarchy in Figure 2.

FIGURE 2: VUES PHASE II WORK PLAN HIERARCHY

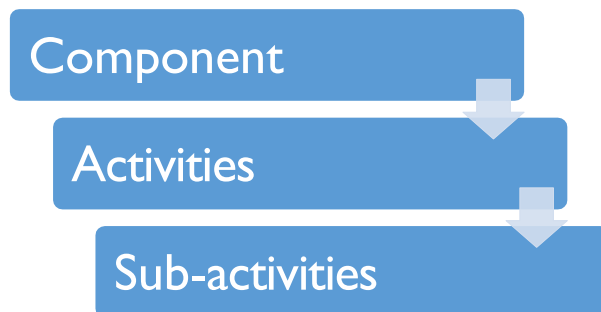


TABLE 2: VUES COMPONENTS, AND ILLUSTRATIVE ACTIVITIES AND SUB-ACTIVITIES FOR ELECTRIC VEHICLE CHARGING STATIONS

COMPONENT	ACTIVITY	SUB-ACTIVITIES
Component 1: Improved Enabling Environment	Activity 1.1: Increase Capacity for Advanced, distributed Energy Solution related Planning and Implementation	SA1.1.1: Training in electric vehicle charging station permitting, siting, and zoning.
Component 2: Enhanced Private Sector Investment	Activity 2.1: Market Assessments	SA2.1.1: Electric vehicle charging station market assessment and dissemination workshops with Banks, project developers, and cities.
Component 3: Demonstrated and Deployed Innovative Solutions	Activity 3.1: Grant Funding	SA3.1.1: Grant funding provided to leverage commercial bank funding, reduce risk and deploy PPP EV charging model. Technical Assistance provided to develop PPP model and to bring commercial banks and other financing institutions onboard.

MINIMUM DELIVERABLES:
IMPROVE ENABLING ENVIRONMENT

- Technical assessment to identify city-level programmatic approaches related to distributed energy sources.
- Design of regulations and standards for rooftop solar and electric vehicle charging infrastructure.
- Design of new business models for rooftop solar or electric vehicle deployment.
- Training of technicians, entrepreneurs and policymakers in advanced energy solutions.
- Study tours to the U.S. involving key decision-makers.
- Peer to peer exchange visits and partnerships with other Asian countries and cities within Vietnam.
- National network for cities that allows for convening workshops, peer exchanges, trainings, and dissemination of replicable approaches and tools.

ENHANCE PRIVATE SECTOR INVESTMENT

- Develop and implement new financial instruments, processes, and investment pools to make financing more readily available to scale distributed energy solutions in key urban centers.
- Technical workshops to strengthen the knowledge and capacity of key financial institutions on the benefits, risks and cash flows associated with distributed energy systems.
- Techno-economic assessments of new regulatory approaches and business models for the selected advanced, distributed energy solutions.
- Support to entrepreneurs in developing business plans, organization structure, and defining investment requirements.
- Convene private sector stakeholders to identify risks, barriers, and opportunities for deployment of distributed energy solutions.

DEMONSTRATION AND DEPLOYMENT OF INNOVATIVE SOLUTIONS

- Through the Grants Under Contract program (GUC), we will support demonstration and commercialization of innovative technologies, business models or financing instruments, and raise public awareness and action in support of the program objectives.
- Develop a cadre of local entrepreneurs to deliver energy services, deploy technologies, and operate and maintain distributed energy solutions.
- Design and implementation support for multi-city procurement aggregation initiative for rooftop solar, municipal electric vehicles, and other technologies

SUB-ACTIVITY 3.C: NATIONAL WORKSHOP

Toward the end of the inception phase, VUES will co-host—with a key stakeholder—a national workshop on advanced, distributed energy solutions for urban areas. It is anticipated that the topic of the workshops will be drawn from one of the Market Assessments and be informed by the detailed implementation work plans. The workshop will cover the opportunities, barriers, business models, and financial performance identified through the market assessment process. It will use case studies drawn from the assessments as well as international best practice examples in order to cover good practice opportunities from both Vietnam and other countries. Break out groups will focus on specific topic areas in greater detail and allow participants to gain a greater in depth understanding of their specific area of interest.

Participants will include government, banks, donors, developers, and consultants from across the country. In addition to disseminating the market assessment results, the workshops perform another important function by socializing the detailed workplans and by bringing all participants that are involved in the project cycle together. The cases studies are designed to cause participants from different areas to engage, share concerns and learn from each other. This helps all participants in the project cycle understand needs and motivations of the other participants and prepare them to engage more successfully. For example, it informs policy makers first-hand about project developer’s realities and project developers as to how banks see risk and investment opportunities.

It will position the selected cities as models for clean energy solutions and learning centers for their counterparts in other cities. This workshop will set the groundwork for a series of annual workshops in to be held in the VUES participating cities where representatives from People’s Committees can learn what VUES cities are doing and meet with representatives from leading innovative companies such as

Vinfast (electric vehicles), Dien Quang (LED bulbs), Siemens/GE/ESS (storage), and Solar BK (innovative business model).

DELIVERABLES:

- At least four market assessments of advanced, distributed generation solutions.
- One national workshop on an advanced, distributed energy solution.

SUB-ACTIVITY 3.D: CO-CREATION WORKSHOPS

DAI intends to employ a co-creation approach to engaging stakeholders and designing effective interventions that will ensure VUES achieves project goals through innovative approaches that meet the needs of the citizens and businesses in target markets. By taking a co-creation approach, DAI will ensure a diverse set of voices are heard so as to provide a full picture of challenges, current barriers preventing the execution of potential solutions, and ideas on how to best achieve our goals. The inclusion of stakeholders also acts as a key step in building trust and understanding among key constituencies in the communities in which we'll work.

For each of the cities selected by VUES, DAI will hold interactive and engaging workshops to continue the co-creation process begun during the design of the workplans. These workshops will serve to validate and refine our understanding of the current landscape, existing energy challenges, and potential target populations that are critical to identifying, implementing, and adopting solutions. This could include private sector actors providing energy solutions, businesses looking to gain access to cleaner and more efficient energy sources, households who stand to benefit from increased investment in local energy solutions and access to more affordable service, and financiers who may be local sources of investment for promising innovations. Additionally, VUES will engage representatives from relevant local government bodies to ensure alignment between public and private goals and incentives and build an understanding of the realities faced by each side in working towards energy access and efficiency.

DAI will develop an agenda and a targeted participant list for each city based on the drafted workplan so that the co-creation workshop is customized to the local context and relevant stakeholders. DAI will procure local venues that are accessible to a wide range of participants and provide a positive environment for open discussion and collaboration. The workshop itself will be facilitated by local facilitation expertise identified and contracted by DAI who will facilitate the discussion in Vietnamese and ensure all voices are heard. DAI's approach includes the inclusion of a variety of exercises that ensures even soft-spoken or participants less inclined to openly engage in discussion are able to contribute to the dialogue and have their ideas included.

The objectives of the co-creation workshops include:

1. Socialize the detailed implementation workplans with key stakeholders, potential partners, and beneficiaries of proposed VUES activities
2. Bring members of the community together to build understanding of draft workplans, their individual roles in achieving the collective energy goals and gain insight into how they might work together
3. Form relationships and build trust among the community with whom the VUES team will be working throughout the duration of the project
4. Validate and refine DAI's understanding of the priorities and incentives of stakeholders' identify where they're aligned, and where they may be at odds
5. Validate and refine potential areas where innovation is needed to overcoming existing barriers and/or where investment could unlock potential and amplify impact
6. Validate and refine potential interventions that fit within the VUES scope of work and are aligned with USAID development objectives

Coming out of the co-creation workshops, DAI will refine the detailed implementation workplan including technical approach, relevant stakeholders, and project targets for each city based on the input and feedback received throughout the workshop.

ACTIVITY 4: DESIGN OF GRANTS UNDER CONTRACT

SUB-ACTIVITY 4.A: ACTIVITY FUND MANUAL

VUES includes Grants Under Contract (GUC) that DAI will use as part of the VUES Activity Fund, which will include a mix of blended finance, targeted post-award subcontracts, and traditional grants under contract. In this activity, DAI will develop the Activity Fund Manual that details our approach to operationalizing the Activity Fund through activities such as:

- **Issue grants to local organizations** that respond to calls for applications related to issues that underpin co-created work plans. These grants will require a \$1:\$1 match and could be issued to local nongovernmental organizations; universities; private for-profit organizations; and training institutions. For organizations that cannot match 1:1 with funds, we will develop guidelines for in-kind matching (staff time, buildings and other resources, etc.).
- **Use challenges and prize competitions** to engage private sector actors with innovative business models, or better decision support to help the private sector generate and sell renewable energy certificates—by funding pilots and proofs of concept.
- **Incentivize change** through incentive grants or rebate programs for energy efficiency improvements.
- **Use blended finance**—such as structuring loan guarantees or other risk mitigating approaches for new energy project development; negotiating with People’s Committees to offer advance purchase commitments for new technologies such as electric buses; offering catalytic first-loss capital to offset risk, provide early stage finance or facilitating companies to increase investment in energy service company (ESCO) like services. We will work closely with the USAID/Vietnam INVEST buy-in to ensure complementarity of private sector engagement, and leverage INVEST’s efforts to secure private investments in renewables and electricity transmission.

The Activity Fund Manual will follow all required DAI and USAID policies and regulations and will draw on materials that have been field-tested and adapted for Vietnam through the USAID/Vietnam Persons with Disabilities Support Program and USAID/Vietnam Competitiveness Initiative projects; we will submit it to USAID/Vietnam by day 30 for Contracting Officer review and approval.

SUB-ACTIVITY 4.B: CALL FOR APPLICATIONS (CFA)

Following approval of the Manual, and in alignment with the approved work plan and the market assessments, VUES will issue the first call for applications for grants. We will vet the call for applications with USAID and post it on the project website, via NGO networks, through the INVEST partner network, and in newspapers to ensure that a wide range of both traditional and nontraditional applicants have access.

DELIVERABLES:

- Activity Fund Manual submitted by October 30, 2019.
- Public Announcement of CFA submitted by February 28, 2020.

ACTIVITY 5: ESTABLISH PROJECT OFFICE

Establishing the project office is made of several activities including registering the company, choosing a physical office location, procuring equipment, and recruiting and onboarding project personnel. DAI has already begun the registration process and anticipates that it will be complete by December 30, 2019. Due to the relatively short time between request for task order proposal, proposal, contract award and required mobilization, DAI took a phased approach to dispatching a full home office “operational start-up team” to handle all such logistical and administrative tasks.

The start-up team has secured office space in a coworking space for the inception phase so that team can be productive and work together as quickly as possible. This office space can be expanded for the implementation phase if so decided. Following this, DAI will procure office and IT equipment (if required), set up bank accounts, customize and install management information systems, and finalize any necessary agreements with local professional services providers.

DAI has begun the recruitment process for local personnel including the DCOP, the Activity Fund Manager, the Finance and Operations Manager, and other Hanoi office support personnel. Additionally, until the Representative Office is established, DAI will hire Vietnamese nationals under independent consultant agreements. The project will transition from this flexible inception phase operating platform to a fully staffed Phase II operating platform as soon as registration is complete. Final selection and onboarding is anticipated by the end of November 2019². With the COP, DCOP and Activity Fund Manager in place, the remainder of technical staff will be hired and in place and the office fully operational by January 29, 2020.

MILESTONE:

Establishment of the project office in Hanoi, fully staffed with key personnel and other critical staff completed by January 29, 2020.

DELIVERABLES AND MILESTONES

The below Deliverables and Milestones Table details the Inception Phase deliverables and requested submission dates as stated in the contract. Due to the rapid start-up of the contract, the in-depth assessment phase, and additional unforeseen start-up activities, DAI proposes a revised deliverable schedule that accounts for the necessary time to carry out a meaningful engagement and co-creation approach with USAID and the potential selected cities in order to create a strong foundation for project implementation. This revised schedule does not result in a change to the start of the implementation phase and will not affect the kickoff of implementation activities as agreed upon in the contract.

Deliverable	Initial Submission Date	Requested Deliverable Date ³
Inception Phase Work Plan	October 30, 2019	No Change
Monitoring, Evaluation and Learning Plan	October 30, 2019	No Change

² This rather late date is due the rapid start-up nature of the project, the fact that DAI did not have an in-country presence and the time it takes for official registration.

³³ This assumes 5 working days each for USAID review and for DAI to finalize. This is a tight schedule but given the limited nature of this work plan and the other follow activities, any more time would significantly delay the schedule. For future deliverables, it is assumed that both USAID and DAI will require 10 working days each to finalize a deliverable.

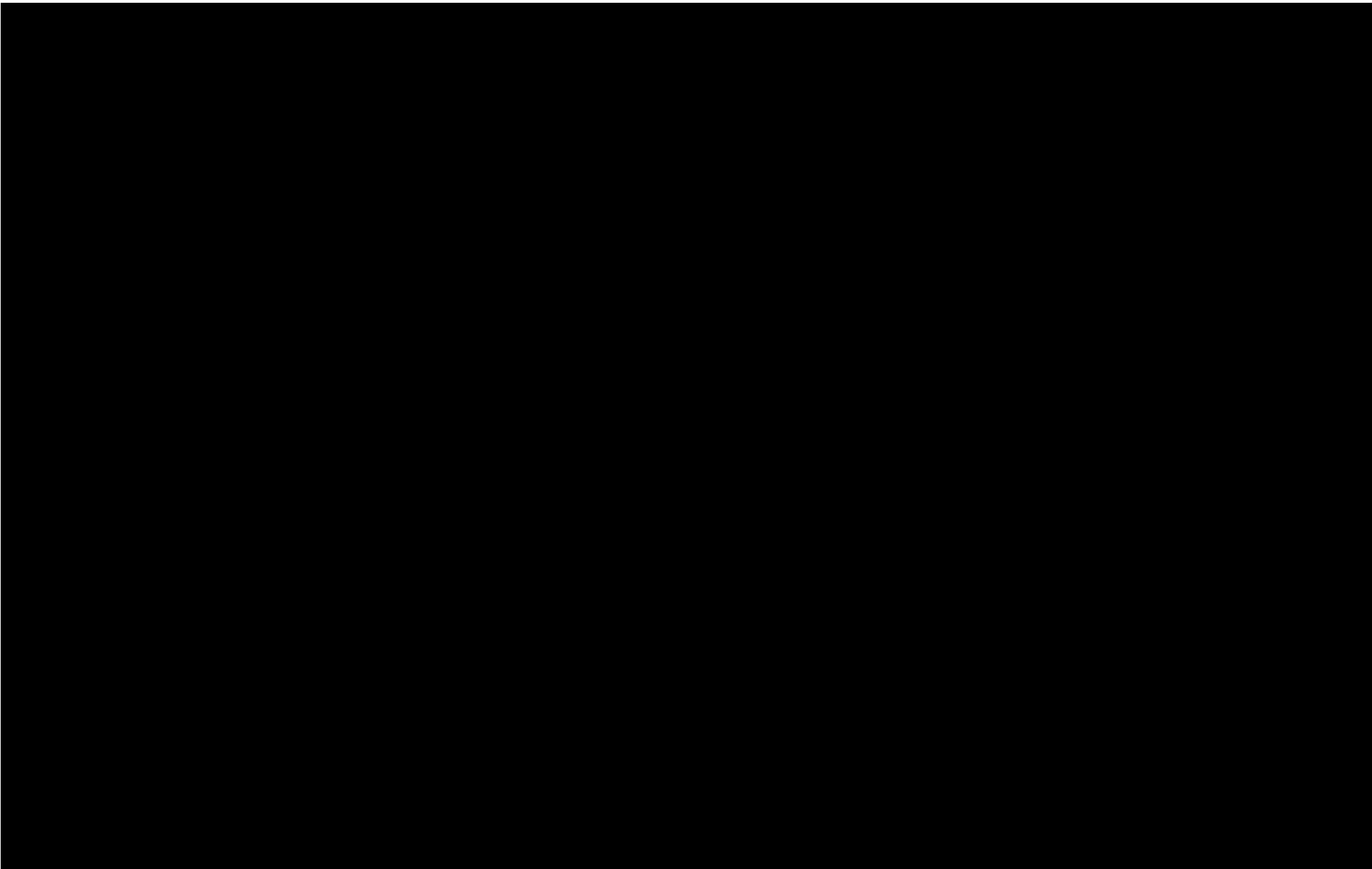
Activity Fund Manual	October 30, 2019	No Change
City Selection Report	November 30, 2019	December 21, 2019
Phase II Work Plan	December 30, 2019	January 21, 2020
Project Approval Documents	January 29, 2020	February 19, 2020
Project Office Established	January 29, 2020	No Change
Call for Applications	February 28, 2020	March 20, 2020

The gantt chart on the following page is aligned with the proposed change in deliverable dates and demonstrates the sequencing of activities and how this proposed shift will result in a successful completion of inception phase within the envisioned 6-month period.

TABLE 3: WORK PLAN TIMELINE AND GANTT CHART

Week	October					November				December				January					February				
	1	2	3	4	5	1	2	3	4	1	2	3	4	1	2	3	4	5	1	2	3	4	
Activity																							
1.a Mobilization																							
1.a Team deploys to hanoi	M																						
1.b Initial discussions with USAID																							
1.c Literature review																							
1.d Initial stakeholder meetings																							
1.e Monitoring, evaluation & learning report																							
1.e D																							
1.f Inception phase work plan																							
1.f D																							
2 Selection of Cities																							
2.a Develop selection criteria																							
2.a																							
2.b City site visits & prioritization																							
2.b D																							
2.c Formal city commitment																							
2.d Draft project approval documents																							
2.d D																							
3 Technical Design																							
3.a Market assessment																							
3.a D																							
3.b National workshop Detailed																							
3.b D																							
3.c implementation work plan																							
3.c M																							
3.c .1 plan																							
3.c .2 Co-creation workshops																							
4 Design of Grants Under Contract																							

4.a	Activity fund manual	D				
4.b	Call for applications					D
5	Establish Project Office					
5.a	Lease local office					
5.b	Register company					
5.c	Recruit local staff					
5.d	Procure equipment					M
5.e	Office fully operational					



⁴ [HTTPS://USAIDLEARNINGLAB.ORG/LIBRARY/STANDARD-FOREIGN-ASSISTANCE-INDICATORS](https://USAIDLEARNINGLAB.ORG/LIBRARY/STANDARD-FOREIGN-ASSISTANCE-INDICATORS)
USAID.GOV

