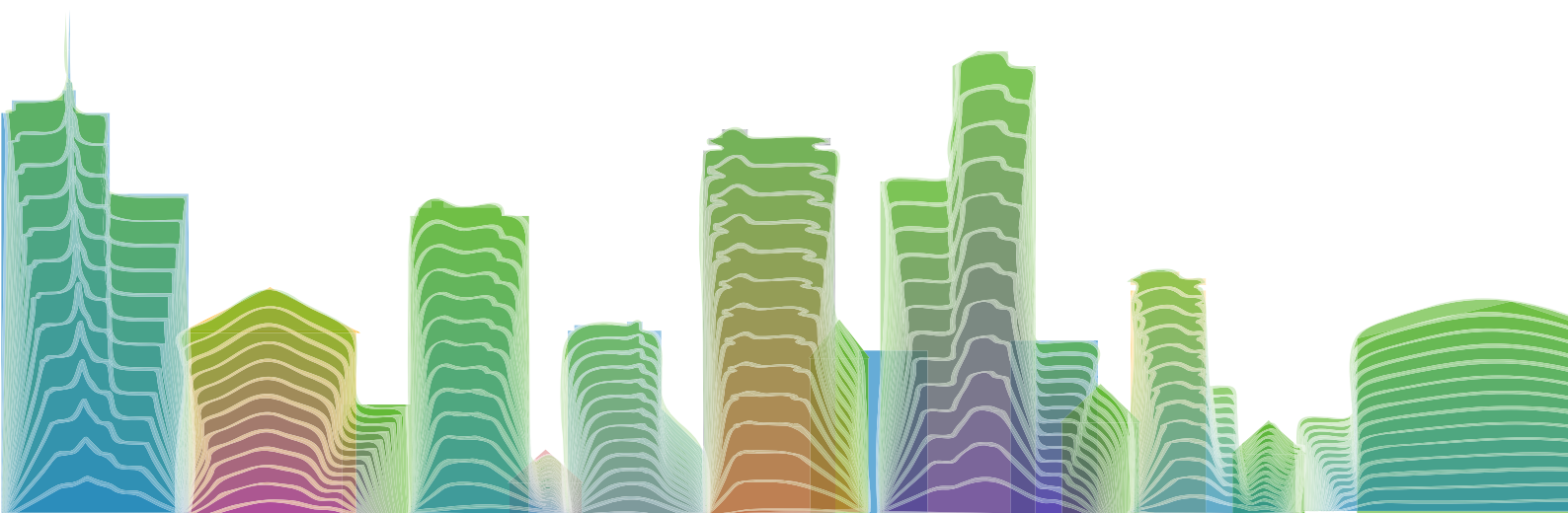


# VGBC ANNUAL REPORT

2012





Dear Members and Friends,

2012 has been another year of substantial achievements for VGBC, thank you again for your loyal and growing support.

The economic downturn did not stop the growth of VGBC's membership network. Despite losing a few members because of this difficult economic situation, 14 new members joined VGBC's membership network and another 60 members renewed their support in 2012. While awareness about sustainable construction is still in its infancy (but growing), we are confident that the membership programme can grow even bigger in 2013.

Over the past year our Technical Team continued to conduct research in order to develop the third rating tool, LOTUS Buildings In Operation, which is set to be finalised by Q1 2013. Also, the team worked to update and amend the administrative structure, timeline and submission requirements for both LOTUS NR and R. The updated versions (LOTUS NR V1.1 and LOTUS R Extended Pilot) will be released in early January 2013. Please stay tuned.

2012 has been a cornerstone year in VGBC's history, since it witnessed certifications of the first LOTUS pilot projects: the Vietnam-Moc Bai Factory (LOTUS NR certification – Certified level) and the Vietnam-Moc Bai Office (LOTUS NR provisional certification – Silver level). A third iconic project, the Green One UN House, is still under assessment for LOTUS NR provisional certification.

VGBC has also been busy with our Education programme in 2012 with almost 200 participants attending our two courses, Green Building Basics and LOTUS AP in Hanoi and HCMC. VGBC congratulates the 74 participants that successfully passed their exam to become LOTUS APs over the past 12 months. VGBC has also worked hard to translate both courses and will begin to teach these in Vietnamese in 2013. We believe that this will generate more interest and hopefully bring more participants next year.

2012 saw our advocacy efforts and activities rewarded. We were appointed as team leader to write the 'Green Building' report supporting the development of Vietnam's Green Growth Strategy that we handed directly to Vice Prime Minister Nguyen Thien Nhan. Furthermore, we have strengthened ties with the Ministry of Construction and Vice Minister Nguyen Thanh Nghi, demonstrated by our appointment to conduct a nationwide capacity building training course for MOC personnel. We also formed a joint MOC-VGBC delegation to attend and participate in the Singapore GBC/UNEP training programme in Singapore in October. Moreover, as usual, we performed 20 presentations and workshops to raise Green Building awareness nationally and internationally.

2013 will likely bring new challenges and indeed, successes; VGBC will initiate its transition to become a Vietnamese entity, and will work even harder with all its partners and members towards accelerating green building up-take in Vietnam.

Finally, we would like to take this opportunity to thank you for your valuable and unwavering support for our efforts to promote sustainable construction in Vietnam. We look forward to your continued support in the years to come.

Sincerely yours



Yannick Millet  
Executive Director

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# 1. VGBC OVERVIEW

## 1.1 Introduction to VGBC's Mission and Goals

*“Driving towards a sustainable built environment”*

### Mission:

To be the focal point for academia, government and the private sector to promote a more sustainable and adaptive built environment.

### Objectives:

Green Building project development:

- Develop and maintain a set of green building rating tools for Vietnam- the LOTUS scheme
- Implement LOTUS tools on projects throughout Vietnam
- Conduct long-term research on climate change resilience for the built environment of Vietnam

Awareness and capacity building:

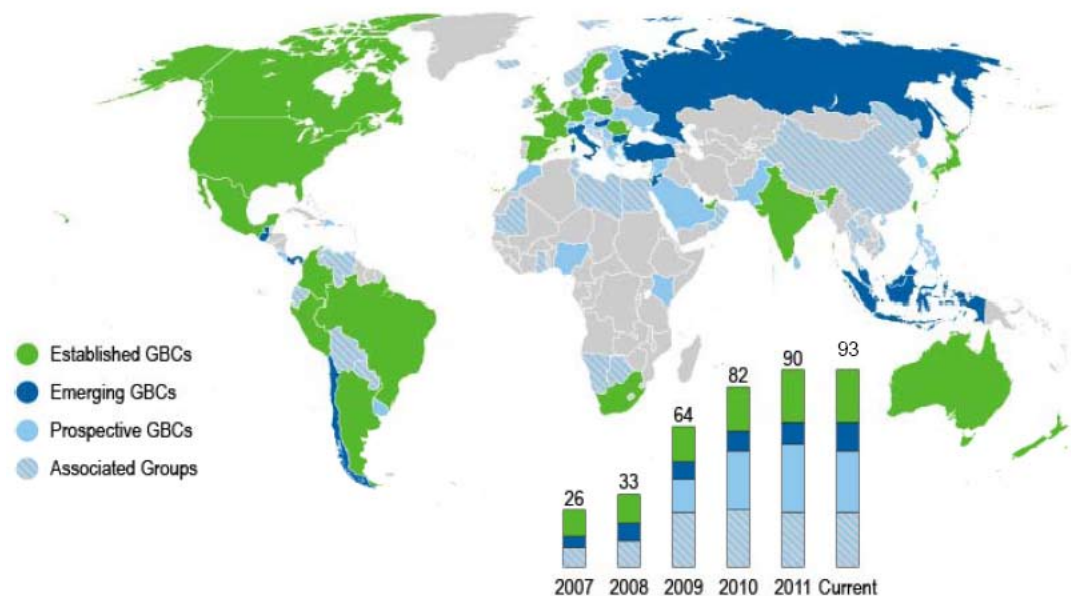
- Complete Green Building Basics and LOTUS Accredited Professional education courses
- Develop and maintain a free online Green Database (for products and services)
- Enhance awareness of green building practice through workshops and online resources
- Advocate and build capacity for the government and academia





## 1.2 World Green Building Council (WGBC)

### World Green Building Council Growth



### World Green Building Council (WGBC)

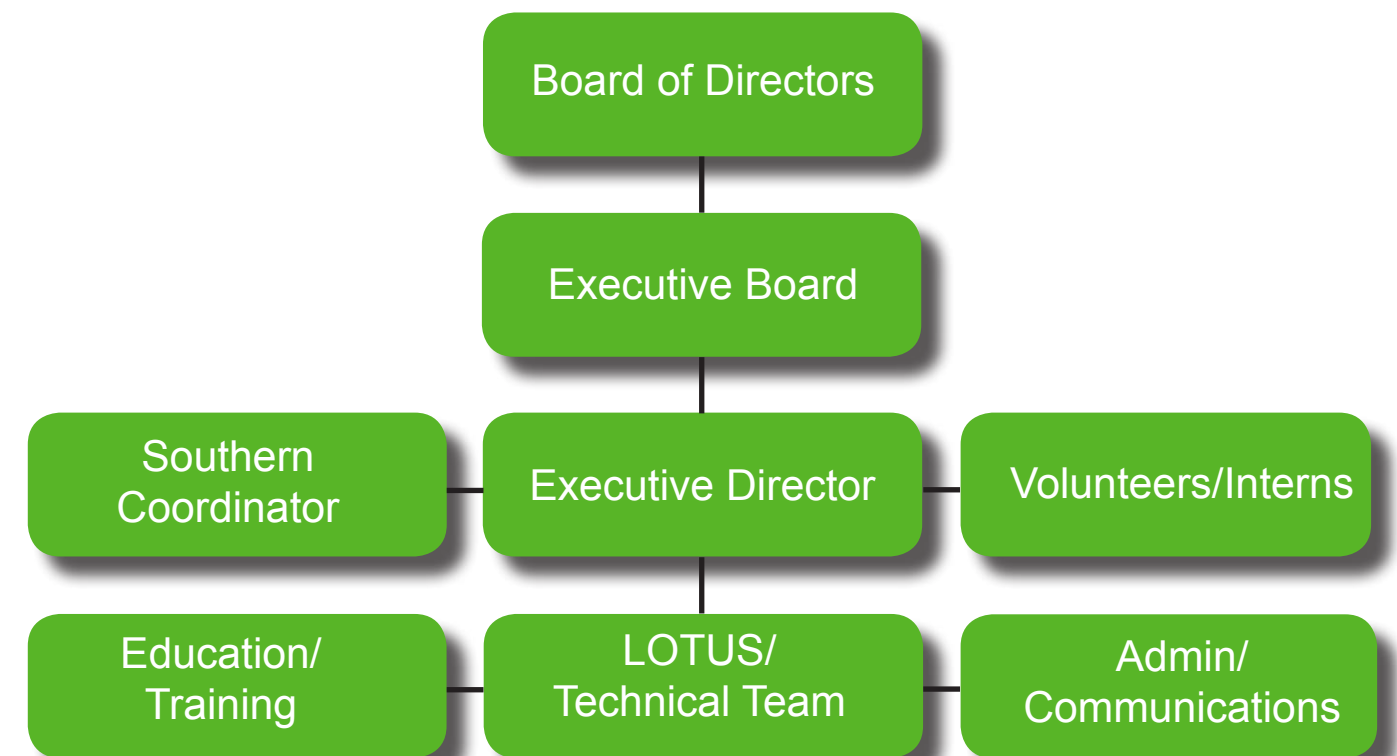
VGBC continued its strong involvement in the WGBC – APN activities. VGBC participated in all bi-monthly conference calls. In addition VGBC had the opportunity to meet other GBC's during an event in Singapore in October. Since its inception, the WGBC APN has managed to gather for one full day meeting during the IBGC event in Singapore.

These conferences and meetings help GBC's to coordinate their respective actions (event, education, advocacy) as well as develop a consolidated regional agenda.

This year, VGBC along side Malaysia GBC and Philippines GBC formed a working group to draft a charter about cross border usage of rating tools. This has become a hot topic throughout the region especially since newly developed rating tools started facing fierce competition from other more well known foreign tools. The final version is expected to be finalised in 2013.

Through this charter, GBC aim at having their respective rating tools recognized as the most relevant to their geographical, legal and industry contexts. VGBC hopes this charter will be scaled up to an international worldwide level as a second step in the future.

## 1.3 VGBC Organisational Chart



## 1.4 VGBC Board of Directors

**Honorary Chair:** Ton Nu Thi Ninh, former Vice-Chair of the National Assembly's Foreign Affairs Committee

**Honorary Vice-Chair:** Kathrin Moore, San Francisco Planning Commission

### Executive Committee:

**Chairperson:** Nguyen Huu Dung, Vietnam Institute for Urban & Industrial Environment

**Vice Chairpersons:** Le Hoang Viet, ENERTEAM

Vuong Thi Ngoc Thai, BCI Asia

**Treasurer:** Nguyen Hong Minh, PMC

**Secretary:** Melissa Merryweather, Green Consult-Asia

### Board Members:

Nguyen Thi Minh Phuong, Vietnam Association for Building Materials

Gavin Smith, Dragon Capital

Richard Leech, CB Richard Ellis

Nguyen Viet Anh, Hanoi University of Civil Engineering

Olivier Jacquet, Schneider Electric

Duong Thien, Transform Architecture

Thao Griffiths, Climate Change Program of US - Vietnam Trade Council

Nguyen Quang, UN Habitat

Le Cuong, ARB Palisades

Hoang Manh Nguyen, Institute of Tropical Architecture - Hanoi Architectural University

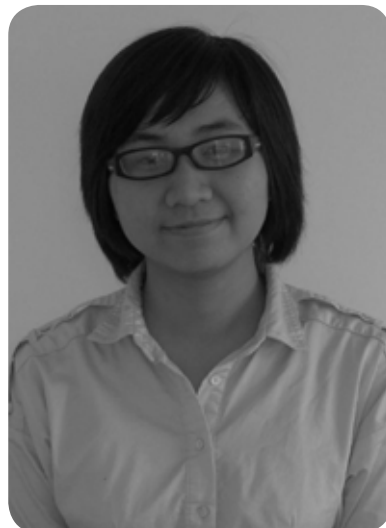
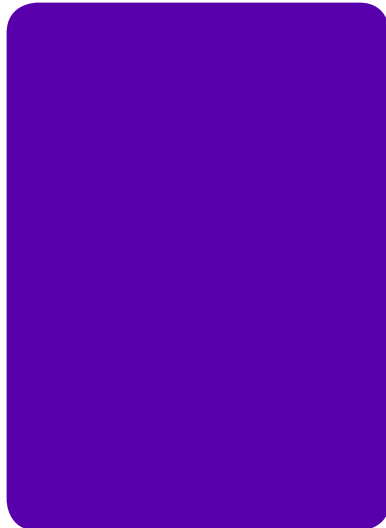
Ngo Viet Nam Son, Chairman, NVD Architects & Planners

Yannick Millet, VGBC's Executive Director

## 1.5 Permanent Staff

Core staff from 2011 continued to develop VGBC in their relevant areas in 2012. Trieu Kieu Van as Administration and Communication Manager, Hoang Thi Thanh Lich as Administration Assistant, Do Ngoc Diep as Education Coordinator and Yannick Millet as Executive Director. Darren O'Dea completed his time at VGBC in

January 2012 contributing a significant amount to VGBC particularly in the areas of technique, communication and management. Tuan Anh Phan joined VGBC in April 2012 as Technical Coordinator to help in the development of LOTUS tools and certification as well as technical research coordination.



## 1.6 Internship / Volunteering Program

Following the necessity to research even further on various topics, we became more selective with regards to qualification, experience and assignment duration of volunteers and interns in 2012. Although the total number of volunteers hosted in 2012 decreased compared to 2011, we continued to host several skilled volunteers and interns in order to help us sustaining our development pace. VGBC is particularly grateful to the Australian and Spanish governments for granting us with the opportunity to appoint long term skilled volunteers.

**MANY HANDS MAKE LIGHT WORK** **Australian Youth Ambassadors for Development (AYAD)**  
The AYAD international volunteer program is an Australian Government, AusAID initiative supporting the Millennium Development Goals. Volunteer work is committed to achieving sustainable development through capacity building, skills exchange and institutional strengthening. Three AYADs assisted VGBC in 2012, continuing from 2011 Tim Middleton, again assisted as Technical Researcher finishing with VGBC in September, Andrew Crouch commenced his assignment with VGBC in August also as Technical Researcher and Felicity Winstone joined VGBC in December as Marketing and Fundraising Support Officer.

**BECAS Argo Global Spain**  
Another volunteer Andrea Archanco joined VGBC as part of BECAS ARGO GLOBAL which is a program funded by the Spanish Ministry of Education, intended for young university graduates from public and private Spanish universities. This program gives them the opportunity to carry through an internship in international companies.

There has been an increasing number of Vietnamese and foreign volunteers and interns assisting VGBC in various areas from translation and administration to technical research and support in the development of LOTUS rating tools. There is a growing trend of young Vietnamese interns supporting VGBC which is fantastic. As a result VGBC has had to decrease the number of foreign volunteers and interns to highly qualified individuals for reasons of physical space, time management and work load. VGBC encourages local personal to join VGBC as a volunteer or intern.

List of VGBC volunteers 2012:

NAME	NATIONALITY	TEAM
Andrew Crouch	Australian	Technical
Tamsin McCabe	British	Technical
Clara James	French	Technical
Daniel Berger	Austrian	Technical
Tran Ngoc Duy	Vietnamese	Technical
Vincent Mazens	French	Technical
Andrea Archanco	Spanish	Technical
Marc N'Kaoua	French	Admin/IT
Nguyen Quang Hieu	Vietnamese	Research
Truong Thanh Van	Vietnamese	Admin
Man Thi Thao	Vietnamese	Admin
Xavier Leuliette	French	Technical
Nguyen Manh Hung	Vietnamese	Research
Doan Quang Hung	Vietnamese	Technical
Maria Matamoros	Spanish	Technical
Felicity Winstone	New Zealander	Marketing



## 1.7 VGBC Members 2012

### Activities with members

Following from 2011, VGBC has witnessed strong relationships in implementing joint-events and activities organised with private sector partners throughout 2012. The following is a list of partnerships between VGBC and respective organisations (further information regarding these collaborations can be found in the Education section).

- Arup- Green Building Basics course
- Vilandco- Green Building Basics course
- Green Consult Asia- LOTUS AP training, LOTUS Rating Tools & LOTUS Certification
- Ardor Architects- VGBC Education program/Green Building Basics course
- Holcim Vietnam Ltd (HVL)- technical guidance for the sustainable design of community projects developed by Holcim Vietnam

#### Green Champions



#### Green Leaders



#### Green Supporters



### Regular Members

AA Corporation  
Aedas  
ADP Architects  
Artelia  
Arup Vietnam Ltd  
ATAD Co., Ltd  
B & C Industries Co., Ltd.  
B+H Architects Vietnam  
Boydens Vietnam  
CMV Architects  
E-BLOCK JSC  
ENERTEAM  
F.D.C Investment & Construction Real Estate  
Jointstock Company  
FOSUP-VHP HOLDINGS  
GreenViet  
Group8 Asia Associates Architects  
Holcim  
Haskoning Vietnam  
Hume Cemboard Industries Sdn Bhd  
HUYNCHI  
InterfaceFLOR  
International Construction Consultancy Jsc.  
Klea' Vietnam One Member Company Limited  
KONE Vietnam  
La Vita Trading Company Ltd.,  
Langdon & Seah  
Legrand  
Namcong Engineering Corporation  
Norfolk Engineering  
Ocean Cooling Tower  
Otis Elevator Company  
PMC (VNPT Property Management Company)  
Pentago  
Phu Hung Gia Construction & Investment JSC  
QUATEST 3 SEAS Consultants  
Sino-Pacific Construction Consultancy  
Sonacons  
Song Da Cao Cuong JSC  
Thorkil Jorgensen Consulting Engineers  
TTT Architects  
UNDP  
Unicons  
Vicostone  
Vilandco  
Ytong

### Founding Members

Archetype Vietnam  
ARDOR Architects  
Aurecon  
BCI Asia  
BON Engineering Consultants Ltd  
Bry-Air Malaysia  
CB Richard Ellis  
COMIN Vietnam  
DK Engineering Ltd  
DP Consulting  
Dragon Capital  
DWP  
Green Consult - Asia  
Indochine Engineering  
Integrated Environmental Solutions  
Korn Architects  
OUT-2 Design  
Saint-Gobain Construction Products Vietnam  
Schneider Electric  
Trane Vietnam  
Transform Architecture  
UNIS Hanoi





## 1.8 Governmental agency partners

VGBC moved a step ahead with regards to their interaction with the government in 2012.



### Ministry Of Construction

First of all, VGBC were granted the opportunity to meet with MOC Vice Minister Nguyen Thanh Nghi in May 2012. The main purpose of the official meeting was to openly discuss a collaboration framework between the 2 entities. VGBC was requested to assist MOC in the finalisation of the new EEBC draft, as well as in the definition of the Green Building development road map for Vietnam. This translates into a long term partnership to help in the generation of a Green Building Development strategy and policy, as well as green building standards and codes.

VGBC consequently collaborated closely with

MOC to assist in the definition of the upgrade of the Energy Efficiency Building Codes (EEBC). VGBC input either directly to MOC or through USAID and IFC programmes, throughout the year.

VGBC also assisted MOC in building internal capacity nation wide. Thanks to the financial support of IFC and Gyproc, VGBC organised 3 training sessions (in Hanoi, Ho Chi Minh City and Da Nang) regarding Green Building and LOTUS in particular. Approximately 200 participants from MOC and DOC offices attended these trainings held in October and November 2012. VGBC coordinated the above with MOC - Dept of Science and Technology and Environment (DOSTE), the main point of contact.

In April, VGBC along with BCA Singapore sent a delegation from the Vietnam Institute of Architecture and urban and rural Planning (VIAP – MOC) to visit a number of green buildings and green urban areas in Singapore during a 3-day trip. Participants were introduced to the concept of what a green building is, and what the main characteristics of green urban areas are in a tropical context.

In October, a VGBC and 2 MOC representatives attended the inaugural Senior Executive Development Programme on Sustainable Buildings for Asia Pacific, initiated by Building Construction Authority Center for Sustainable Building, in partnership with the Singapore Green Building Council (SGBC).

The 3-day training was aimed at regional policy-makers and industry stakeholders to allow them to discuss, explore and accelerate the development of expertise in governance, public administration and implementation of green building projects in Asia Pacific. Speakers included experts from UNEP, UNEP's Sustainable Buildings and Climate Initiative (UNEP-SBCI), the Royal Melbourne Institute of Technology (RMIT), and various Singapore agencies and institutions. The training brought together senior executives from 9 participating Asia Pacific countries (namely, Indonesia, India, Malaysia, Pakistan, Singapore, Sri Lanka, Thailand, The Philippines and Vietnam).



## Energy Conservation Centre Hanoi

For the third year in a row VGBC was invited by ECC to present at ENTECH 2012. The ENTECH conference and exhibition is a 3 day event organised in Hanoi to raise awareness of Energy Efficiency. Exhibitors include numerous local and foreign product or service manufacturers whose core business is related to Energy Efficiency. Thanks to this renewed collaboration, VGBC was able to once again raise awareness in front of numerous professionals during this milestone event.

## Prime Minister's Office

Last but not least, VGBC has been granted the extreme privilege to access the Prime Minister's office. Thanks to its collaboration framework with the Vietnam Business Council for Sustainable Development (VBCSD), VGBC was entitled team leader in the writing of the guiding inception report for the Government.

The Building Chapter Working group was welcomed by Deputy Prime Minister Nguyen Thien Nhan on May 5th where VGBC Executive Director presented the report directly to Deputy Prime Minister. Mr Nguyen acknowledged the report, finding it very interesting however confessing that he was not aware of the current situation and noted the necessity to act fast.

VGBC has been delighted to see that some of its recommendations have been taken into account, since the building sector is now set as a priority sector in the final version of the VGGS report.



## 1.9 Non Governmental agency partners

### IFC

As mentioned previously, VGBC developed its technical collaboration framework with the International Financial Corporation (IFC- part of World Bank Group) for the EEBC update project for MOC.

### Bilateral cooperation Agencies

Similarly, VGBC had numerous exchanges with donors or bilateral agencies such as USAID, GIZ (Germany), and Austrade. VGBC have been contacted by these organisations during scoping exercise in Vietnam.

VGBC was also referenced as a key agency in the ToR of the Vietnam Clean Energy Programme of USAID funding. Thanks to its experience, VGBC is now becoming a recognised actor with regards to sustainable, energy efficient construction in Vietnam.

### Vietnam Urban Forum

The Vietnam Urban Forum (VUF) increased its activities in 2012, VGBC took this opportunity to participate in debates held in Da Nang and Hanoi during the year.

### Singapore Green Building Council

In October, VGBC celebrated yet another milestone with the signing of a Memorandum of Understanding (MOU) with the Singapore Green Building Council (SGBC) at the SGBC Pavilion at BEX Asia 2012. The MOU was signed by Mr Tai Lee Siang, President of SGBC and Mr Yannick Millet, Executive Director of VGBC. Guest of Honor, Minister Grace Fu witnessed the signing.

Under this latest MOU, both SGBC and VGBC will work towards recognition of the Singapore Green Building Product & Services Certification scheme under the green building assessment scheme of Vietnam. The two parties will also collaborate in training, green building development and other services in Vietnam and Singapore.

### Vietnam Climate Change Working Group

VGBC attended all workshops and conferences related to climate change, held by ISET (Rockefeller), UNDP CC working group and others. Following the importance of these issues in Vietnam, VGBC continues to follow up all local and international initiatives. VGBC continuously strives to reflect climate change adaptation and mitigation issues in daily work and LOTUS rating tools.

## 1.10 Academia Partners

During 2012, VGBC continued to partner with national universities. VGBC recorded a growing interest with regard to green buildings from the University of Civil Engineering, and Architecture in Hanoi.

Most of the requests from universities were related to capacity building, providing an insight to the Green Building movement in Vietnam, as well as LOTUS rating scheme.



### Hanoi University of Architecture /Institute of Tropical Architecture

For the second year, VGBC partnered with Hanoi University of Architecture (HUA) to organise a Green Architecture Award for final year university students. VGBC and HUA formed a jury, and assessed 20 short listed projects. The 3 best were awarded a prize and successful students were invited to present their project during VGBC's annual conference in September.

VGBC strives to further build partnerships with Universities, it is extremely important to raise awareness and build green capacity for professors and students alike.

Reforming university curriculum to encompass sustainable construction components is one of the main recommendations that VGBC advocates.



### LUND University - Sweden

VGBC continued its long-term partnership with LUND University, VIAP, DOC and VAS. As mentioned above, thanks to this project funding, VGBC could organise and coordinate the field trip to Singapore with our partners at Building Construction Authority Singapore. All partners visited relevant green buildings as well as learnt about Green Urban areas in Singapore.



### RMIT - Australia

In April VGBC collaborated with RMIT during the ProSPER.net workshop in Ho Chi Minh City.



The core activity of ProSPER.Net project was a workshop, which brought together participants and shared knowledge, experiences and recommendations to practical approaches for integrating sustainability issues whilst understanding the theoretical dimensions of sustainability and sharing experiences about what approaches best work for all stakeholders.

The universities and institutions who participated in this project were: Asian Institute of Technology (Thailand), Tongji University (China), University of the Philippines (Philippines), National Institute of Advanced Studies in Architecture (India), Universiti Sains Malaysia (Malaysia), Universitas Gadjah Mada (Indonesia), International University, Vietnam National University – HCM (Vietnam), University of Tokyo (Japan) and RMIT University (Australia). Industry participants included: the World Green Building Council, Vietnam Green Building Council, Sino-Pacific Construction Consultancy Co. Ltd (Vietnam) and Vietnam Centre for Research and Planning on Urban and Rural Environment (CRURE)/Vietnam Institute for Architecture and Urban-Rural Planning (VIAP)/Ministry of Construction (MOC). The final report is expected to be released by 2013.

Aside from this punctual collaboration with RMIT, VGBC continued to translate on a monthly basis the AdaptNet bulletin into Vietnamese. The bulletin is produced by RMIT University Global Cities Research Institute's Climate Change Adaptation Program network focusing on urban climate change adaptation. It is produced in partnership with Nautilus Institute. This decentralized network creates and offers information, analysis, and methodology to undertake urban climate change adaptive policy research and analysis.



Finally, VGBC worked with Portland University (USA ) to define a internship framework for American students to come and work at VGBC. The main aim is to support VGBC operations and research works on both technical and communication aspects. We expect this partnership agreement to start by 2013.



## 2. VGBC ACTIVITIES

### 2.1 Raising awareness activities

#### 2.1.1 Conferences

As was the case in 2011, VGBC organised, presented and participated in numerous workshops, conferences and forums in Vietnam and abroad in 2012. As a result of past activities in this area, VGBC was provided with many more opportunities to present our vision, as well as to review technical works.

This enable VGBC to present our work, raise further the general awareness about green building and LOTUS as well as advocate measures on how to 'green' the construction sector in Vietnam.





Event / Conference 2012		
Presentation of VGBC to the France GBC	Feb 12	Presenter
Tall Building Conference – IBC Asia	Feb 12	Presenter
Business Consultation Workshop on Vietnam Green Growth Strategy – VCCI -VBCSD	Mar 12	Presenter
Green Architecture – Vietnam Institute of Architecture Urban and Rural Planning –MOC	Mar 12	Presenter
ProSPER.Net Workshop - RMIT International University	Apr 12	Presenter
Presentation of recommendations to promote Green Building in Vietnam to MOC Vice Minister of Construction Nguyen Thanh Nghi	Apr 12	Presenter
ProSPER.Net Workshop - RMIT International University	Apr 12	Presenter
Presentation of recommendations to promote Green Building in Vietnam to MOC Vice Minister of Construction Nguyen Thanh Nghi	Apr 12	Presenter
World Bank - Consultation Workshop for Draft Organizing Framework for Vietnam's Market Readiness Proposal	Apr 12	Participant
LOTUS Existing Building – Technical consultation Workshop	Apr 12	Organiser
Presentation of recommendations to promote Green Building in Vietnam (within the VBCSD framework) to Vice Prime Minister Nguyen Thanh Nhanh	May 12	Presenter
Support for NTP on Climate Change with a Focus on Energy & Transport - Inception Workshop - ADB	May 12	Participant
Conference Entech – Energy Conservation Center Hanoi	May 12	Presenter
MOC - USAID LEDS Workshop in Hanoi: Energy Efficiency in the Buildings Sector: Building Energy Assessment, Policies and Codes	Jun 12	Presenter
Environment Technology Vietnam 2012 – Australian Embassy	Jun 12	Presenter
World Bank Green Growth Seminar	Jun 12	Participant
Eco Cities – Vietnam Business Council for Sustainable Development	Jul 12	Presenter
Community of Practice on Urban Climate Resilience in Vietnam	Jul 12	Participant
Viet Nam Urban Forum - National Stakeholder Workshop for Community of Practice on Urban Climate Resilience	Jul 12	Participant
Senior Executive Development Programme on Sustainable Buildings for Asia Pacific in Singapore (with MOC VN – organised by UNEP and Building Construction Authority Singapore)	Sept 12	Participant
Green Building week at Hanoi Architectural University	Sept 12	Presenter
Vietnam Green Building Council – yearly event	Sep12	Organiser
Ecoculture conference – Ciputra Hanoi	Oct 12	Presenter
Green Housing Conference – Goethe Institute	Oct 12	Presenter
Consultation workshop: Building Energy efficiency code - Implementation status and recommendations - IFC - MOC	Oct 12	Reviewer
Vietnam Green Growth Strategy Launching Workshop - MONRE	Oct 12	Participant
Meeting of "technical group" on climate change on NAMAs – UNDP	Oct 12	Participant
ASEAN-EU International Workshop – Energy Efficiency – EU	Nov 12	Presenter
Workshop and Policy Roundtable on Sustainable Building Standards – GIZ –DGNB – University of Business and Technology	Nov 12	Participant
Conference „Vietnam Cities Tomorrow – Actions Today“ – MOC - VUF	Nov 12	Participant

## 2.1.2 Website

In 2012 VGBC website had 13,196 unique visitors with 86,575 page views compared with 12,946 unique visitors and 122,502 page views in 2011.

Analysis of VGBC's website shows the highest number of visitors are from Vietnam (18,103) followed by USA (770). The number of visitors from Singapore, Australia, France and UK range from 350-450/year. In the Vietnamese context there were a similar number of visitors from Hanoi (9,166) as there were from Ho Chi Minh City (8,176).

The 'About Us', 'LOTUS' & 'Resources' sections were the sections with the highest views with greater than 6,000 views for each. Throughout 2012 visitor numbers were constant with a noticeable drop, understandably, around Tet (see graph).

On top of regular maintenance plans are in place to update website content in 2013. A push in social media will hopefully generate more visitors to the website in 2013 also. Monthly evaluation of traffic numbers, sources and referrals via Google Analytics will also enable effective marketing and management of the website in the future.



## 2.1.3 Newsletters / Other Published Materials

Throughout 2012 VGBC continued to publish monthly e-news bulletins- bringing readers the latest news and information from VGBC and the green building industry. In 2013 VGBC hopes to grow both the number of subscribers (from 1628 in 2012) and the number of emails published with a proposed new LOTUS Accredited Professional email providing readers with exclusive information regarding VGBC, LOTUS, training programs and projects to be released early 2013.

VGBC has also continued to grow awareness through written articles, interviews, videos and print and digital media.



## 2.2 Advocacy activities

Near the end of 2011, VGBC worked on the definition of an advocacy paper for the promotion of green building in Vietnam. This document was mainly targeting governmental agencies, and was proposing 5 main recommendations to increase the uptake of sustainable construction in Vietnam.

As mentioned in paragraph 1.8, VGBC had the opportunity to hand this advocacy report personally to the Vice Minister of Construction Nguyen Thanh Nghi in April, as well as to Vice PM Nguyen Thien Nhanh in May.

Deputy PM Nhan acknowledged the report and its inception with interest, confessing not knowing precisely about the current situation.

VGBC were delighted to be informed that since October the building sector is now set as a priority target sector in the Green Growth Strategy document released by the Government.

The recommendations generated were:

### Recommendation 2

#### Promote LOTUS Green Building Rating tools

The construction sector is a major contributor to environmental problems. Buildings have an oversized environmental footprint. Worldwide they account for a third of total energy use, around a quarter of all CO<sub>2</sub> emissions and 12% of freshwater consumption. However the buildings sector holds the greatest potential for reducing carbon emissions. The Intergovernmental Panel on Climate Change (IPCC) estimates that worldwide, a 29% reduction of emissions is possible by 2020 with zero net abatement costs<sup>1</sup>.

The VGBC, along with its local and international partners, has developed a set of green building rating tools called LOTUS. These are based on a number of international standards, however they have been tailored to meet the specific needs and demands of the Vietnamese construction industry. These standards have been officially recognised by the World Green Building Council. The VGBC has 3 tools:

- LOTUS NR (Non-Residential): 2010
- LOTUS R (Residential): 2011
- LOTUS EB (Existing Buildings): 2012

LOTUS certification is a voluntary, market-based instrument. Green building projects are assessed and awarded points against a number of building performance categories. There are three levels of certification – certified, silver or gold – based on the number of credits a project receives. LOTUS launched in late 2010 – there are already 700+ projects in Vietnam.



These include:

- The Green One UN House
- Moc Bai factory and office
- St Gobain factory
- Big C Green Square development
- Pou Chen Kindergarten
- VietinBank

In 2012 the number of LOTUS projects is expected to increase as awareness grows.



“LOTUS has been tailored to meet the specific needs and demands of the Vietnamese construction industry”

Certification is an important part of green building development. Certification by a third party organisation against internationally recognised standards lends credibility to a project. The VGBC has defined the benchmark for green building performance in Vietnam. Certification with LOTUS is not just about assessment and auditing though, it is educational too. The VGBC offers courses and identifies best practices within its tool. This can help project developers meet the high levels of performance that will give better returns to the triple bottom line.

#### Deliverables

Integrate green building requirements into national sustainable development policy. Commitment at the highest level of government shows direction and guides all ministries and local authorities.

Set a national target for green building construction for the period 2012-2030. Targets clearly set out government direction. They guide both the public and private sector and allow progress to be measured.

Continue to create constructive dialogue with the VGBC, its members and partners. The VGBC is the focal point for government, academia and the private sector. It offers a forum for exchange and helps guide concrete action.

### Recommendation 1

#### Strengthen the regulatory framework

The regulatory framework defines the level of minimum performance for buildings. The construction sector is typically conservative in its attitude to change. Regulations can help to push the whole sector towards sustainability. This broad coverage is essential if the transition to a green economy is to be achieved<sup>1</sup>.

The UN Green Economy Report (2011) found that regulatory and control measures are likely to be effective within the construction sector. Two major barriers to green building adoption are hidden costs and market failures. Legislative measures can be very effective in overcoming these particular challenges. This is especially true in low and middle-income countries.

Many building codes and regulations already exist in Vietnam. For example there are codes related to energy efficiency, pollution, and water conservation. Existing regulations are good starting points to build upon. Reviewing the level of compliance will enable the government to strengthen these regulations and develop new rules that push the sector as whole towards sustainability.

Business organisations are leading the call for clearer and more consistent regulation. The World Business Council on Sustainable Development (WBCSD) has called for a strengthening of energy efficiency requirements – appropriate to local climatic conditions. Importantly these need to be well enforced and tightened over time. Such external stimuli are needed. Market forces alone will not achieve the necessary transformation to a green sector fast enough<sup>1</sup>.

Regulations can help improve information exchange and transparency in the market. Stricter building codes and energy efficient labelling requirements will help to develop the market. This can then provide the push that will stimulate demand. On the one hand it will demonstrate the benefits of green buildings to the sector. While on the other it will also help to reduce costs of green buildings as industry benefits from economies of scale.



“Regulations can help to push the whole sector towards sustainability”



#### Deliverables

Review and strengthen existing regulations and remove regulatory barriers to green buildings. International best practice can serve as a useful guide, however consultation with national and regional experts will help develop locally appropriate legislation.

Involve the private sector in developing appropriate legislation. Despite narrowing the divide between regulated and regulator, such consultation is essential to ensure wide levels of compliance.

Build capacity at both central and municipal government level. This will help ensure adequate monitoring and enforcement of laws related to green buildings.

Cross ministry collaboration to ensure ‘joined-up thinking’. Establishing dialogues across departments and ministries will allow best practices to be exchanged. Key ministries include Ministry of Construction, Ministry of Finance, Ministry of Industry and Trade, Ministry of Science and Technology and the Ministry of Planning and Investment.

### Recommendation 3

#### Lead by example – public sector investment in green buildings

Public sector investment in green buildings shows credible commitment. As a major builder of infrastructure and public investment, the public sector is well placed to lead by example. In the housing sector alone, the government has planned to increase per capita housing floor space from 16.7m<sup>2</sup> to 25m<sup>2</sup> by 2020<sup>1</sup>. The public sector is not bound by the short-termism that proves such an obstacle to investment in green buildings in the private sector.

In Australia, local governments have taken a lead role in pledging to meet sustainability benchmarks for all new and existing public buildings. Some flagship buildings have also been nominated as targets for high-level certification. These act as clear demonstration of the commitment of government to sustainability in the built environment.

Similar policies could be implemented in Vietnam. By using the forthcoming LOTUS tool for existing buildings, the government could begin assessing and renovating existing stock.

This would not only improve the energy efficiency of government, but also save money in the long term. Green buildings make economic sense. Value for money is a key consideration for long-term public sector investments.

Green buildings are not limited to high-end offices or large factories. In South Africa, projects are already in place to ‘green’ low-income housing<sup>1</sup>. This will provide clean, healthy and environmentally friendly buildings to people throughout society.



Zero Energy Building (ZEB) Singapore

“As a major builder of infrastructure and long-term investment, the public sector is well placed to lead by example”

The potential for leadership from the government in Vietnam is large. Through cross ministry communication and coordination, the norms of green buildings could be mainstreamed into whole government policy. This is a real opportunity to show the commitment of the Vietnamese government, at all levels, to greening its own building stock. This in turn will signal to the private sector and investors that the government is serious about green buildings, and help to kick-start the transition to a green economy.

#### Deliverables

New government buildings should implement LOTUS certification. The government should also initiate a sustainable procurement policy for retrofitting existing buildings.

Invest in research and development. Funding should be allocated to green building related disciplines at universities.





## Recommendation 4

### Define green building incentives for the private sector

The private sector is the main driver of green buildings in Vietnam. Despite a recent slowdown, the construction sector is still growing. Analysts predict an annual compound growth rate of 11.73% through to 2015 <sup>10</sup>. The public sector has a role to play by creating an enabling environment that fosters this growing industry. The private sector can help deliver public goods by investing in green buildings. However all too often project developers are reluctant to invest in green buildings because of perceived additional costs or risk. The public sector can act to help overcome such worries.

Evidence from across the world shows that while there may be some premium payment initially, this is more than paid back over time because of reduced operating costs. In fact, for some green buildings, the initial costs have been shown to be lower than a 'normal' building. But all too often project developers either do not understand this or choose to favour short-term returns over long-term sustainability. Government can help to overcome this 'short sightedness'. As well as making rules and regulations, government can help to define incentives for the private sector.

**"all too often project developers favour short-term returns over long term sustainability"**



Source: LOTUS Rating - 'Star'

Financial incentives can 'pull' the private sector towards green building investment. Internationally, tax credits or rebates have been effective. In the US for example, the State of Oregon offers developers a 35% five-year Business Energy Tax Credit. Financial incentives can be linked into compliance with voluntary standards such as LOTUS. For example if projects achieve a certain level of LOTUS certification they could receive a progressive % tax exemption. Evidence suggests that linking incentives can be more effective – a holistic approach.

Non-financial incentives are also very effective. Examples include density bonuses – allowing developers to build more densely or increase the floor area can reward developers who build green buildings. Such incentives are used widely in Hong Kong and Singapore <sup>11</sup>. Another example is faster processing times for planning application. Streamlining the process and time taken for a project to progress from design board to construction can save developers time and money. In a recent survey undertaken in the US, such non-fiscal mechanisms were highly rated.

#### Deliverables

Define and deliver an overall strategy for green building promotion in Vietnam. Such strategies help guide the process, and quantifiable targets allow measurable progress.

Consult with the private sector and VGBC on appropriate incentives and policy measures for Vietnam. This will help ensure that all concerned parties agree effective and workable policy measures.

Implement trial projects for incentives. Reviewing their effectiveness and efficiency will help to make better policies that can be implemented on a wider scale.

## Recommendation 5

### Building capacity for green buildings

Green buildings need to be developed – however a lack of capacity slows this process down. Efforts must be made to train the next generation of engineers, architects and designers in the principles and skills of green building. New curricula at universities across Vietnam should focus on sustainability and the novel skills required for green building.

Promoting the use of green buildings without investing in skills, capabilities and education is unlikely to work. According to the International Labour Organisation <sup>12</sup> a "lack of skills is considered a bottleneck for the growth of the green building sector, so adequate training provision is vital to success." Government policy or economic incentives alone will not be enough. Long-term investment is crucial.

Investing in capacity building will create green jobs. The UNEP Green Economy Report (2011) estimates that green buildings could create an additional 3.5 million jobs in the EU and US alone. Growth will be far higher once middle income and developing countries are included. The construction industry can play a large part in the transition towards a green economy.

It is important to increase general levels of sustainability awareness. Green buildings are about more than design. The sustainability of a building also depends upon how the occupiers use it. Improved education will ensure that the growing urban population understands green buildings and how best to use them. Better education also drives demand for sustainable technologies and policies. Government investment in education now, will help develop the green building sector through the medium to long term.

**"A number of studies have demonstrated that investments in green buildings produce more jobs than they replace in the energy-supply industry"**

The VGBC has two streams for education. The first introduces green buildings. This provides the basic background to green buildings, and the role green buildings can play in sustainable development. The course also introduces some of the technical aspects of green buildings. This includes the application of best practice design principles and use of the latest green technologies. The second stream is for professionals with good existing knowledge of green buildings. This course explores the more technical aspects of green buildings in detail. Taking this course and examination allows a professional to become LOTUS Accredited and take part in LOTUS certified projects.

#### Deliverables

Develop curricula for university. This should be based on international best practice, and be developed with experts in Vietnam to tailor it to local conditions.

Work with employers to reskill the existing generation of construction workers in green building techniques. This will help to ensure immediate progress in promoting green building development.

Training courses for government staff. This will raise awareness of the need for sustainability and the contribution of green buildings to overall sustainable development policy goals. This should be mandatory for relevant ministries and encouraged across the whole of government.



## 2.3 Capacity Building and Education activities

Building capacity of 'green building' in Vietnam has always been a core area of focus for VGBC. VGBC's activities in this field in 2012 have included the following:

- Talks and workshops throughout Vietnam to raise awareness in the industry,
- Training for local governmental officials, local construction departments, research institutes directly under the Ministry of Construction ,
- VGBC education programmes
  - o Green Building Basics Course,
  - o LOTUS Accredited Professional (AP) Training.

In addition to these main activities, VGBC also built up a forum for all LOTUS experts (APs) to exchange their knowledge and experience.

Last but not least, VGBC is still developing a 'Green Database', directory for green products and services, to guide the path of architects, building owners, contractors, and all other stakeholders in Vietnam construction industry.

### 2.3.1 Capacity building for the Government

The partnership between VGBC and the Ministry of Construction (MoC) of Vietnam enhanced in 2012 as the Ministry showed determination in directing Vietnam construction industry in a "sustainable development path".

As clear evidence of such an orientation, the MOC requested VGBC to create tailor made training regarding green building principles, LOTUS and LOTUS pilot projects. Trainings were organised in November 2012 in 3 cities: Ha Noi, Da Nang and Ho Chi Minh City.

The trainings were aimed at building capacity of sustainable construction and provided officials an opportunity to enhance their capacity to later develop and implement sustainable building policies.

The training sessions gathered over 200 executive personnel from the Ministry of Construction, local Departments of Construction, related institutes, universities and consulting companies under the Ministry all over Vietnam.

### 2.3.2 Green Building Basics Course

2012 witnessed the collaboration between Arup and VGBC in building the Green Building Basics course. The Green Building Basics (GBB) course is aimed at helping participants to improve their understanding about green building principles. It serves as a foundation course providing information on environmental issues, sustainable development and green building practices. Upon completion of the course, participants are familiar with green building and certification, which allows them to enrol in the LOTUS AP course to achieve the LOTUS Accredited Professional certificate.

Once course structure, contents and materials were all completed, VGBC and Arup continued to collaborate in delivering the training with the support of Vinlandco and Ardor Architects, 2 early and very active members.

VGBC successfully organised 6 training courses in 2012 both in Hanoi and Ho Chi Minh City. Over 100 experts from a total of 34 companies mostly related to the construction industry, attended the courses. The majority of participants who completed a GBB course were contractors, architects or consultants





### 2.3.3 LOTUS Accredited Professional Course

As the second part of our 2-fold education programme, the LOTUS Accredited Professional (AP) course offers professionals who already have experience in green buildings an opportunity to gain an in-depth understanding and qualification in LOTUS and how to apply these tools to certify green buildings in Vietnam. Similar to the Green Building Basics course, for this LOTUS AP training VGBC received great support from Green Consult Asia (GCA) for the development of the training modules. GCA is a major VGBC partner and member with strong experience in both green building certification and green construction practices in Vietnam.

The total number of LOTUS AP courses conducted in 2012 was 5 with 2 of those in Hanoi and 3 in Ho Chi Minh. 22 of those attended courses in Hanoi and 69 in Ho Chi Minh. This obviously indicates the significantly higher interest in HCM opposed to Hanoi.

Participants were from 39 companies and organisations, most of which (approx 60%) were architecture and consultant firms. It is important to note that the majority of participants were Vietnamese (over 85%) although all courses were delivered in English.

The number of certified APs in 2012 totalled **58**. VGBC is looking to deliver the LAP programme in Vietnamese in 2013 with the hope that this conversion will further facilitate the participation of Vietnamese experts in the green building movement.



## 2.4 LOTUS Rating Tools

### 2.4.1 Mission & Objectives

One of the main goals of VGBC is to define specific Green Building metrics for Vietnam.

On one hand, VGBC strived to find relevant and motivated local and international expert partners to develop LOTUS to ensure the local relevance of such tools. Building a national multi-stakeholder platform was seen as a key element to the success of the tools.

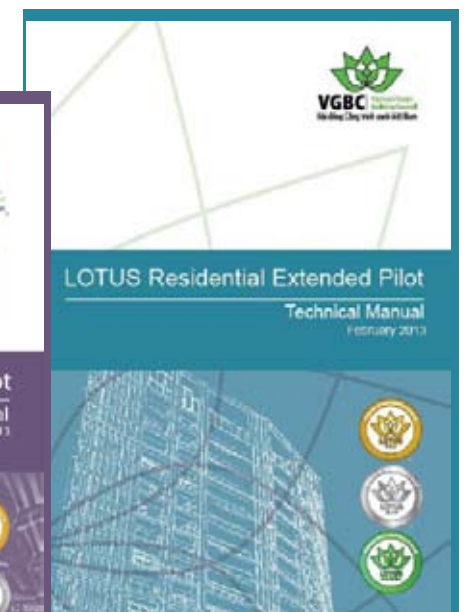
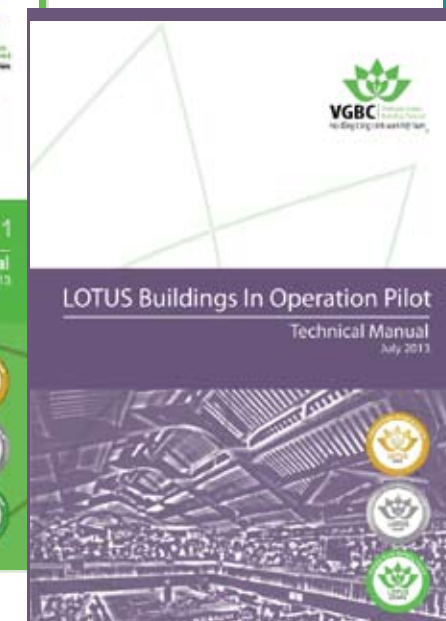
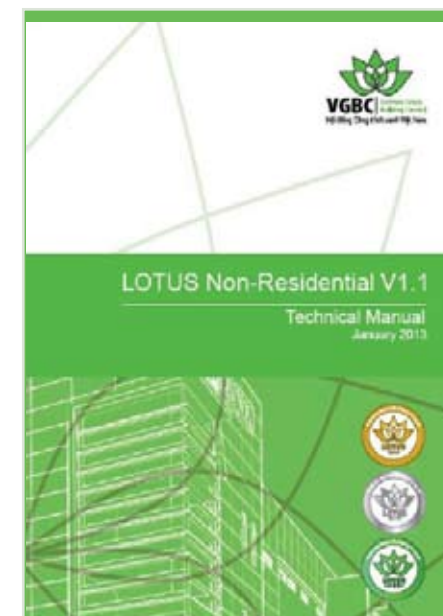
On the other hand, LOTUS rating tools are being developed with thorough study of several foreign and well established green building rating tools such as: LEED USA, Green Star Australia, BREEAM – UK and BEAM HK. In addition VGBC has been keeping an eye on other regional tool development and implementation, such as the GBI –Malaysia, Green Mark –Singapore, Green-skip –Indonesia and BERDE Philippines.

Although all rating tools are in principle addressing the same issues, it is important to have them tailor-made to best suit the local context, whilst maintaining international recognition and relevance. The regulatory framework, climate aspects, as well as the maturity of the local construction industry must be taken into account. “Copying and pasting” a foreign rating tool has often been proven a difficult and risky exercise and definitely not advisable.

As a result, VGBC incorporated climate change adaptation components as well as a Community category in LOTUS. This was considered as avant-gardism in 2009, but is now becoming a new trend since social aspects are becoming a new focus, as well as climate change resilience.

VGBC developed LOTUS tools following the spirit of 3rd generation rating tools. All stages: design, construction and operation stages must be fully encompassed and assessed by tools these days.

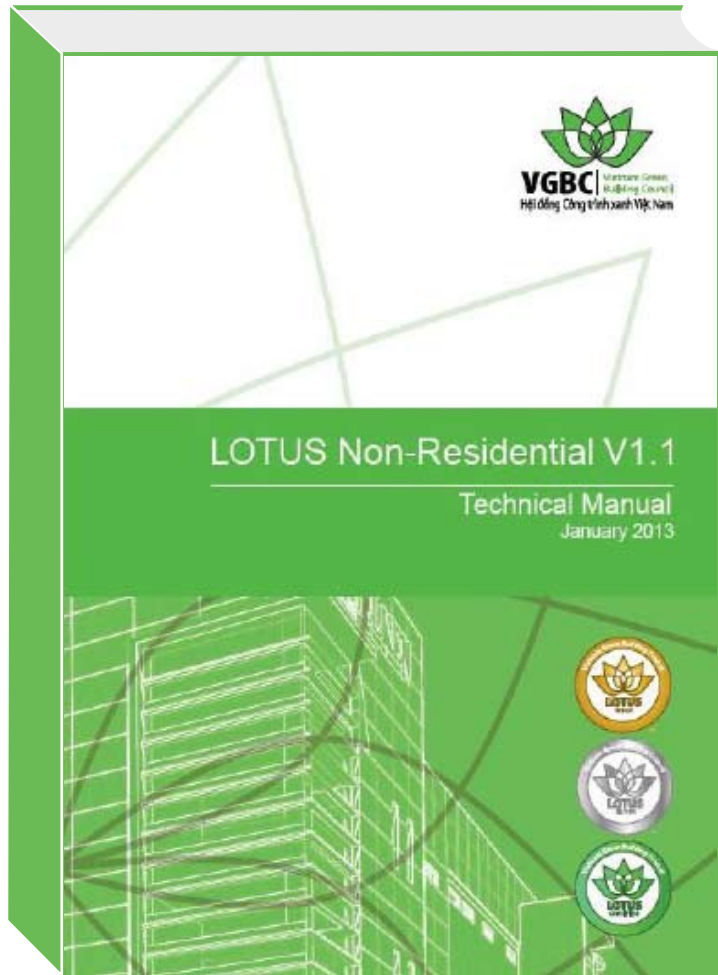
Recent international focus is now set on the Operation stage, since it is crucial to ensure that the actual performance will actually be delivered during building operations, and indeed fully assessed through rating tools. Through LOTUS NR, R and soon BIO, the LOTUS scheme is defined to be able to encompass all building types.





2.4.2 LOTUS Non-Residential tool

LOTUS Non-Residential (LOTUS NR) was the first rating tool developed by VGBC to assess non-residential buildings in Vietnam. LOTUS NR encompasses numerous Non Residential project types, including but not limited to cultural, educational, health care, retail, office, hotel & guest house and transport service buildings as well as communication station and towers, stadia and sports centers and factories.



The very first tool, LOTUS Non-Residential Pilot Version, was released in June 2010. Based on the experience acquired from pilot projects and further consultations with local and international experts., a first upgrade, the LOTUS NR Version 1, was released in October, 2011. Regular updates, upgrades and corrections are a common international practice, as regards to green building tools management and improvement.

In response to additional feedbacks, further changes were made to submission requirements in order to bring this tool (LOTUS NR V1.1) in line with other international green building assessment tools and to provide a clearer pathway for certification implementations.

As of December 2012, the following pilot projects were registered:

VietinBank Tower



Bic C Green Square



Pouchen Kindergarten



Vietnam Moc Bai JSC



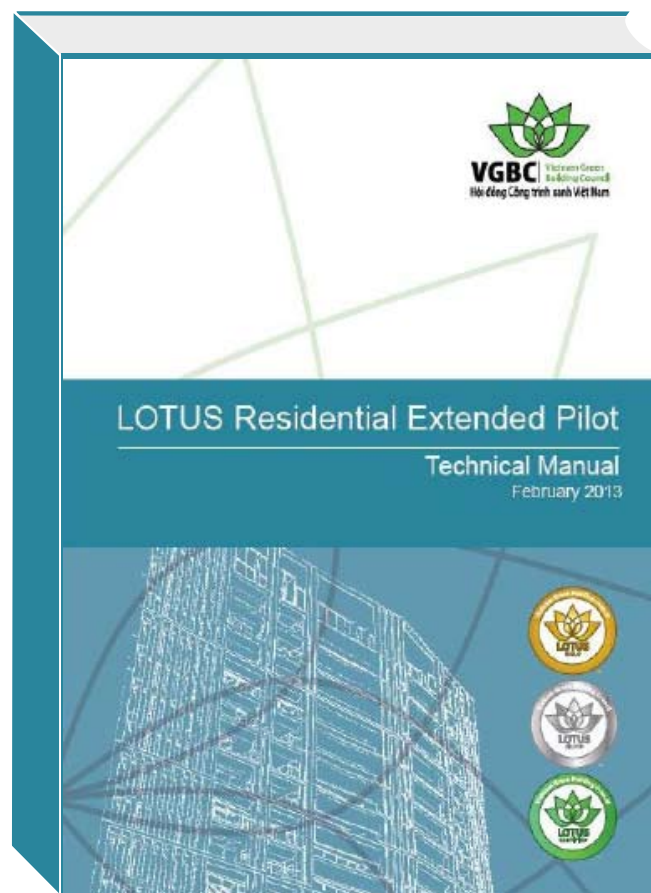
Green One UN House





### 2.4.3 LOTUS Residential tool

LOTUS Residential (LOTUS R) was the second LOTUS rating tool developed by VGBC. LOTUS R was launched to complement LOTUS NR so that all building types can undergo certification. LOTUS R can be applied to (new or major refurbished) residential projects, where a minimum of 70% of the gross floor area (not including car parking) is dedicated to residential use. LOTUS Residential Pilot Version was initially released in October 2011. To date no registrations have been submitted for LOTUS Residential.

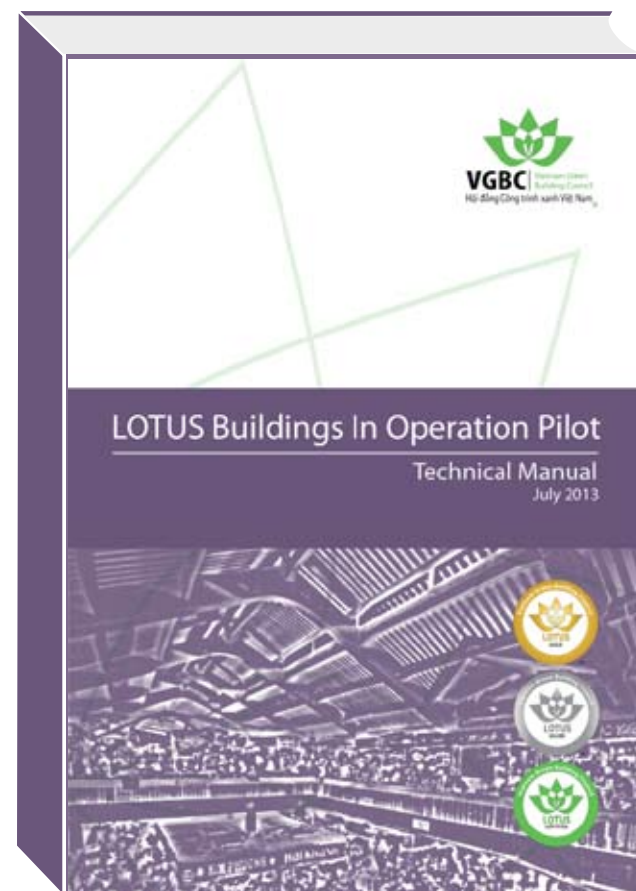


### 2.4.4 LOTUS Building In Operation

LOTUS Building in Operation (BIO) tool is the third tool to be developed by VGBC and is still under development. LOTUS BIO intends to be a complementary tool for LOTUS NR and R, since both mainly focus on design and construction stages. LOTUS BIO will encompass the most crucial stage of a building: its operation. This new tool development is in line with the international trend of green building councils focusing on assessing properly monitored and optimised building operations.

Any building type that has been in operation for more than 18 months and has over 50% occupancy (regardless of whether the building has already been certified) will be eligible. The development process to date has included an online scope consultation, the release of a draft checklist, and a technical consultation workshop in May 2012. Since then, VGBC has continued to research and test this pilot draft.

The final LOTUS BIO Pilot Version is expected to be released by July 2013.



### 2.4.5 VGBC Green Database

The Green Database is a free directory for green products, materials, appliances and services available in Vietnam - that will help make buildings less harmful to the environment and human health.

The Green Database has been constructed to connect suppliers, manufacturers and consultants of green products and services with green building professionals and the general public. It has also been developed for those going through the LOTUS Certification process to identify products that, if used as recommended, may contribute towards achieving credit points. VGBC aims to promote the Green Database extensively in the future, however there is a lack of human and financial resources to maintain, promote and develop the system.

At the time of publish VGBC had approximately 80 registered products and services in the database.



## 3. VGBC PLAN FOR 2013

2013 is set to be another important milestone with regards to VGBC's development in many different ways. Thanks to the growing awareness and to the new official GB governmental agenda, VGBC is hopefully set to take an even more important role nationwide.

### 3.1 A stronger and Vietnamese focused VGBC team

Since its inception in 2007, VGBC has been striving to establish a local multi-stakeholder platform to promote sustainable construction in Vietnam. The medium-long term perspective of VGBC has always been to transform VGBC from an international organisation to a local entity. The Board of Directors ratified this decision in June 2012. The process is set to take approximately 3 years with the aim of merging all relevant architecture and engineering associations through VGBC. A detailed plan is still to be defined; the future local management team will be entitled to detail this road map.

The first step in this direction will be through the recruitment of a local director, as well as other local qualified profiles by Q2 2013. VGBC expects to have this transition effective by mid 2013. Yannick Millet, the current Executive Director still intends to support the new team even after the transition period. The support will likely consist in coordination, technical and policy advice.

In parallel, VGBC will continue to run its very successful international and local intern and volunteer programme. Throughout 2012 university students, as well as experienced professionals were targeted. In order to set up a win-win collaboration framework and develop sufficient outputs, these individuals will be requested to spend at least 2 months with VGBC.

In this specific regard, VGBC are grateful to Austraining for the appointment of 2 long-term assignment AYADs: Mr Andrew Crouch, assigned to the technical department until July 2013, and Ms Felicity Winstone, assigned to the Communication-Marketing department, until August 2013. VGBC will look to apply for further AYADs if the programme allows.

In 2012, VGBC hosted 5 local interns and was delighted to witness the growing interest from local individuals. VGBC aims to reach an even higher number of local interns/volunteers, until they represent the most significant component of this programme.



## 3.2 VGBC partners and members

### Government

In 2013, VGBC will again strive to develop current partnerships and to establish new ones. A strong emphasis will be put on our relationships with the Government, and in particular with the MOC, since they sought our support in assisting them to define the green building development strategy and roadmap, as well as increasing internal capacity on a regular basis. VGBC hopes to sign a MoU in early 2013, to make the collaboration framework official.

VGBC will also work with all other relevant agencies (Ministry of Finance, Ministry of Industry and Trade, Ministry of Planning and Investment, Ministry of Natural Resources and Environment) in order to advocate more efficiently a green building development strategy and roadmap, since it can hardly be limited to MOC's sole attributions.

### Donors

In parallel, VGBC will strengthen ties and work closer with current donors (USAID, DANIDA, GIZ, KOIKA, World Bank and IFC) in order to be directly included in respective funding schemes or even proposal's terms of reference, as occurred in the Vietnam Clean Energy Program (VCEP) funded by USAID.

In addition, IFC will complete its mission to assist MOC with the EEBC by 2013. Nonetheless, IFC will extend its support to the definition of the green building development strategy as well. VGBC has ensured involvement in this second component of their long-term support programme.

### World GBC and other GBCs.

VGBC will continue to actively participate in the WGBC APN meetings and working groups. One of VGBC's current missions is to work with the Malaysia GBC and Philippines GBC to draft a "cross border usage of rating tool" charter for all GBCs in the region as a first step. This important document will hopefully set international rules with regards to the implementation of foreign rating tools/certification schemes in countries already running their own rating scheme.

The main intention remains to give a priority to local tools, which are supposed to be more relevant to the local context, even though suffering from a lack of awareness and/or international hard selling stance of other rating schemes. This mission is crucial and should lead to less confusion in developing countries where the green building momentum is just nascent. In parallel, VGBC will look at scaling up the VEEB project database component with the Malaysia GBC which also aims at building up a green building case study database.

Last but not least, further to all previously quoted activities VGBC has started discussions with the MGBC to sign a MoU in order to obtain further support to define/refine rating tools. The MGBC has been recording a fantastic take up of its Green Building Index scheme, with almost 500 projects registered in the past 3 years! VGBC hopes to learn from MGBC replicate many of their actions and achievements in Vietnam.

### Other partners

In 2013, VGBC will work to strengthen its pool of external experts (Primary Assessment Committee -PAC) to continue with LOTUS certification assessments. Until now, mainly VACEE experts have been involved, but VGBC is looking forward to expand this pool of experts to other relevant and qualified partners. PACs are crucial to ensure the transparency of LOTUS certification assessments as well as to compose a wider and more active national pool of experts.





### 3.3 Raising Awareness and Advocacy activities:

#### A new VGBC marketing and communication strategy and plan

Thanks to the recent arrival of Felicity Winstone, VGBC will start redesigning a communication and marketing strategy. Felicity has a strong Marketing/ Communication background acquired in Australia and New Zealand working for NGOS and private companies. Her mission objectives are to audit all current communication materials, and to build up a specific action plan to upgrade and develop other materials.

We expect our website, flyers, and membership programme to be improved in terms of both content and form. New means of communication will also be developed through social media such as facebook and Linked-in.

At that stage, VGBC has identified the need to have targeted and more personalised communication means for each stakeholder (government, investors, architects, contractors, suppliers and students). All involved parties do not expect the same level of information, therefore VGBC is looking to define a multi tier approach and work out dedicated communication materials.

Finally, Felicity will help set up a long term communication and marketing strategy and plan for the organisation.

As a complement to Felicity's input, VGBC will be granted further funding to raise awareness and develop further communication materials by early 2013. VGBC in consortium with Fairventures Worldwide, a German NGO has been awarded a European funding (REEEP programme) to implement the VEEB (Vietnam Energy Efficient Building) project.

The main objective of this project is: "Promoting energy efficient buildings for Vietnam via collaboration platform and media channels. " It is a great opportunity for VGBC to up-scale its raising awareness capacities through paper and electronic format documents, radio and TV ads as well as online videos.

Meanwhile, it will allow VGBC to develop our green database by populating more green products and information, as well as providing the public with additional technical solutions.



RAISE  
AWARENESS

#### Conferences/ workshops

Similar to previous years, VGBC still aims to present to at least 20 conferences/workshops in Vietnam and abroad. Already to date, VGBC is working with Eurocham for the GreenBiz 2013 event to be organised in Hanoi, likely to be during the same period as the VGBC Annual Conference. As was the case in 2009 and 2011 VGBC has again been requested to provide a speaker. This event is the largest 'green' event organised in Vietnam, it represents a fantastic opportunity to spread the word among private companies and at high governmental level.

Meanwhile, VGBC again plans to organise our annual conference during the World Green Building Week ( the third week of September).

## Advocacy

Following its success in receiving access to the highest level of the Government, VGBC will advocate further its recommendations on how to promote green building in Vietnam. VGBC's advocacy paper has also been requested by the World Bank, IFC, USAID, and many other donors as a reference document to help them better understand local context and relevant actors with regards to energy efficiency and green building. Therefore, VGBC maintains hope that our recommendations will be featured in funding schemes moving forward.

In 2013, VGBC will continue to research and refine further our initial recommendations in order to help build a clearer action plan for the government.

In order to draft accurately such an action plan and to define appropriate targets, VGBC will have to link with other governmental agencies (such as the Ministry of Finance, Ministry of Industry and Trade, Ministry of Planning and Investment, as well as the Ministry of Natural Resources and Environment).

By 2013, more buildings will be assessed and hopefully LOTUS certified. As a result VGBC expects to obtain access to financial data and determine the Green Building Business case for Vietnam. Such data is crucially lacking so far and is essential in order to convince private developers about the financial soundness of green projects. VGBC will work with project applicants as well as with other industry players to produce this first data for Vietnam.

## 3.4 Capacity Building and Education activities

All VGBC education courses were held in English in 2012. By 2013 with the great support from Ardor Architects, all Green Building Basics course materials will be translated into Vietnamese. In addition to Ardor's assistance, VGBC will look for partners to help lecture the various modules in Vietnamese. Thus, VGBC expects to be able to widen the reach and generate more interest from the local construction industry.

In 2012, approximately 200 individuals completed VGBC training. In 2013, VGBC aims to develop these activities even further (+25%) to train more professionals and generate an even more substantial part of our revenue through this.

Secondly, VGBC plans to organise shorter events/presentations to show case the first LOTUS certified projects, or build up specific training modules based on market demand.

Thirdly, VGBC intends to further develop punctual tailor made trainings for Universities, to enable undergraduate engineers and architects an introduction to sustainable construction principles and techniques at an early stage. As a first concrete step, VGBC is already discussing such activities to be organised by Q1 2013 with the National University of Civil Engineering in Hanoi.



## 3.5 LOTUS rating tools and Technical research

### LOTUS Buiding In Operations

In order to finalise the first pilot version, a second technical consultation workshop will be organised by Q2 2013 to gather further comments and advise. This pilot version aims at being completed by summer 2013, and will be officially launched during VGBC's annual conference in September. Meanwhile, VGBC will look for potential pilot projects to test the version. In this specific regard, VGBC plans to discuss with the eHome building management to propose to them to use the building as a pilot test to help "calibrate" the tool.

VGBC will indeed welcome all further expressions of interest.

### LOTUS NR and R

Therefore, following the more substantial feedback we are set to get from the more numerous on-going pilot projects, a new upgarde of LOTUS NR will likely be released in 2013. Indeed, VGBC will clearly communicate and provide full assistance if necessary.

### Pilot projects and certification assessments

After certifying the two LOTUS first projects in 2012, VGBC expects to finalise the Provisional certification of the Green One UN house by Q1 2013. Submission documents for BIG C Green Qquare and Pou Chen Kindergarten are also expected to be received by Q1 2013.

Although there is a gloomy economical (and construction) crisis, VGBC still expects to register new pilot projects for LOTUS NR and hopefully the first one for LOTUS R. The official support received from the Government for the LOTUS scheme will hopefully clarify the current local situation and help the take up.

Thus, VGBC hopes to be able to double the current registrations to reach 15 LOTUS pilot projects by the end of 2013. Aside from the above objectives, VGBC will work to expand our Primary Assessment Committees, to gather more local expertise into project certification assessments.

It is still a steep learning curve, and VGBC is glad to benefit from the experience of professionals on the ground. VGBC has been methodically recording every single issue or improvement area since the beginning of pilot projects.

In order to have LOTUS R pilot in line with the LOTUS NR V1.1 update, submission requirements and timelines will also be updated for the LOTUS Residential tool. This will be released by mid 2013, and will be called LOTUS Residential Extended Pilot version.

As a later target for 2013 or even 2014, following the growing interest for green building and the likely revision of the Vietnam Energy Efficiency Building Codes, VGBC will organise other national technical consultation workshops, nationwide, to upgrade and further improve current versions of LOTUS NR V1.1 and R Extended Pilot.

In addition, with a view to facilitating the implementation of LOTUS, VGBC will continue to produce supplementary tools and template documents for LOTUS project teams, so that they can compile their documentation in an easier and more standardised way.

Aside from certification projects, VGBC will also actively research further the following subjects to facilitate the uptake of GB in a tropical context:

- Water and energy benchmark and baseline definition
- Energy and water management practise
- Natural ventilation
- Local material characteristics
- Locally available equipment and materials
- Building waste and pollution
- Climate change adaptation building aspects
- Social aspect of green building
- Green building financial case in Vietnam
- Green building standards for Vietnam



## 4. FINANCIAL REPORT

From a financial perspective, VGBC income substantially increased again for the forth year in a row. Although amidst a worsening local and international crisis, VGBC revenue grew by 26% compared to 2011.

This is a noticeable achievement that helped secure VGBC activities a little further.

VGBC's education programme has now become a very important part of our revenue. VGBC will strive to develop it further, and will likely generate more interest once entirely translated and conducted in Vietnamese.

For more precision, please find here under the 2012 financial report and cash reserves secured by end 2012.

### 4.1 Financial Year 2012

FINANCIAL REPORT 2012 (USD)

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	TOTAL
<b>INCOME</b>													
1 Membership	0	18,326	4,525	5,650	3,100	8,600	14,275	6,003	8,000	4,900	5,350	4,900	83,629
2 Project	0	0	914	10,196	5	17	18	19	18	21	24	282	11,514
3 Education	4,850	5,655	0	1,680	10,761	2,524	8,640	840	0	3722	3,207	8,693	50,572
4 Event	0	0	0	0	0	0	0	0	4,021	1724	374	0	6,119
<b>TOTAL INCOME</b>	<b>4,850</b>	<b>23,981</b>	<b>5,439</b>	<b>17,526</b>	<b>13,866</b>	<b>11,141</b>	<b>22,933</b>	<b>6,862</b>	<b>12,039</b>	<b>10,367</b>	<b>8,955</b>	<b>13,875</b>	<b>151,834</b>
<b>EXPENSES</b>													
1 Bank Charges	-127	-117	-127	-198	-75	-44	19	-28	-62	-1	-11	-43	-814
2 Operations	-10,195	-6,685	-7,998	-8,454	-9,001	-9,133	-8,881	-12,079	-9,602	-7,957	-9,524	-9,501	-109,011
Office	-288	-159	-309	-397	-686	-439	-224	-339	-200	-338	-484	-47	-3,910
Rent	-600	-600	-600	-1,350	-450	-450	-450	-450	-450	-450	-450	-450	-6,750
Salary	-9,308	-5,926	-7,089	-6,692	-7,865	-8,244	-8,207	-11,290	-7,314	-7,169	-8,590	-9,004	-96,698
Travel	0	0	0	-15	0	0	0	0	-1,638	0	0	0	-1,633
3 Marketing	-86	0	0	-183	0	-61	-262	-331	0	-200	-95	-386	-1,605
4 Projects	0	0	0	-8,970	0	-81	0	-599	0	-10	0	-147	-9,807
5 Education	-1,131	-2,417	0	-1,100	-2,089	-3,691	-3,462	-348	-7	-345	-2,421	-5,638	-22,650
6 Event	0	0	0	0	0	0	0	0	-3,639	-189	-143	0	-3,971
<b>TOTAL EXPENSES</b>	<b>-11,539</b>	<b>-9,219</b>	<b>-8,124</b>	<b>-18,905</b>	<b>-11,165</b>	<b>-13,011</b>	<b>-12,586</b>	<b>-13,385</b>	<b>-13,310</b>	<b>-8,703</b>	<b>-12,195</b>	<b>-15,716</b>	<b>-147,857</b>
<b>RESULT TOTAL</b>	<b>-6,689</b>	<b>14,761</b>	<b>-2,686</b>	<b>-1,378</b>	<b>2,701</b>	<b>-1,870</b>	<b>10,347</b>	<b>-6,523</b>	<b>-1,271</b>	<b>1,664</b>	<b>-3,239</b>	<b>-1,841</b>	<b>3,977</b>



### CASH 2012 (USD)

	ACCOUNTS Viet Nam			ACCOUNT US	TOTAL	Provision	TOTAL USABLE
	GCF-VN-USD	GCF-VN-VND	CASH ON HAND	GCF-USA			
End of Dec 2010	6,992	9,061	199	15,182	31,434	10,000	21,434
End of Dec 2011	14,622	3,390	181	20,014	38,207	10,000	28,207
End of Dec 2012	12,534	32,200	855	3,132	48,721	12,250	36,471

## 4.2 Budget Year 2013

Although economical situation forecast for 2013 is still bleak, VGBC still plans to increase revenue by 10%.

It is forecast that the education programme will help increase this revenue. Please note that this budget is not including any new funding sources.

### FINAL BUDGET VGBC 2013

USD	2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>INCOMES</b>												
1 Grants	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525
2 Memberships	7,606	7,606	7,606	7,606	7,606	7,606	7,606	7,606	7,606	7,606	7,606	7,606
3 Education net revenue	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625
4 Certification net rev.	817	817	817	817	817	817	817	817	817	817	817	817
5 Workshop net rev.	333	333	333	333	333	333	333	333	333	333	333	333
TOTAL INCOMES	13,906	13,906	13,906	13,906	13,906	13,906	13,906	13,906	13,906	13,906	13,906	13,906
<b>TOTAL Cumul. INC</b>	<b>13,906</b>	<b>27,813</b>	<b>41,719</b>	<b>55,625</b>	<b>69,531</b>	<b>83,438</b>	<b>97,344</b>	<b>111,250</b>	<b>125,156</b>	<b>139,063</b>	<b>152,969</b>	<b>166,875</b>
<b>EXPENSES</b>												
1 Office expenses	967	1,317	1,347	1,497	1,497	1,497	1,497	1,497	1,497	1,797	1,497	1,497
2 Salaries	12,050	8,030	13,430	9,630	9,630	9,830	7,480	11,980	9,480	7,480	7,980	7,980
3 Investments	858	858	858	858	858	858	858	858	858	858	858	858
TOTAL EXPENSES	13,875	10,205	15,635	11,985	11,985	12,185	9,835	14,335	11,835	10,135	10,335	10,335
<b>TOTAL Cumul. EXP.</b>	<b>13,875</b>	<b>24,081</b>	<b>39,716</b>	<b>51,701</b>	<b>63,687</b>	<b>75,872</b>	<b>85,707</b>	<b>100,043</b>	<b>111,878</b>	<b>122,013</b>	<b>132,349</b>	<b>142,684</b>
Monthly average Resu	31	3,701	-1,729	1,921	1,921	1,721	4,071	-429	2,071	3,771	3,571	3,571
<b>Cumul. RESULT</b>	<b>31</b>	<b>3,732</b>	<b>2,003</b>	<b>3,924</b>	<b>5,845</b>	<b>7,566</b>	<b>11,636</b>	<b>11,207</b>	<b>13,278</b>	<b>17,049</b>	<b>20,620</b>	<b>24,191</b>

## 4.3 New potential funding sources

Following our 5th year of operations, VGBC is still facing serious difficulties to draw interest from all stakeholders about the necessity to shift to a more sustainable development pathway. Thankfully, 2012 represented a major turn in this specific regard. Several stakeholders finally started considering the green building initiative, after the government and a few bilateral donors started pushing in this direction.

Unfortunately, this is not yet a “revolution”, however it is slowly generating interest among the public. At least, many donors are now willing to support the government to tackle “energy inefficiency”, as well as “unsustainable development pathways”. VGBC is optimistic that this is just the beginning of a new trend, that will set EE and GB as major targets at the highest levels.

### VEEB – REEEP project with Fairventure Worldwide

As mentioned earlier VGBC in consortium with Fairventure Worldwide has been awarded the VEEB (Vietnam Energy Efficient Building) project, a €190,000 project funded by REEEP (Renewable Energy and Energy Efficiency Partnership) based in Europe.

The project goal is: “Promoting energy efficient buildings for Vietnam via collaboration platform and media channels”, and will last 18 months from 2013 to 2014.

Project Objectives are:

- Support the openness and consistency of green building data for all building stakeholders and build a base for knowledge sharing between building professionals in Vietnam.
- Make the benefits of green building solutions transparent to investors, services providers, developers and other interested parties.
- Enhance the marketing capacities of green solution suppliers.

This project led by Fairventures Worlwide, will allow VGBC, as the main implementing partner, to strengthen its operations, and complement its awareness raising activities through newly appointed financial and human resources.



## Vietnam Clean Energy Programme – USAID

As mentioned above, VGBC was initially quoted as a technical partner within the VCEP Terms of Reference.

This project funding (USD 13 Million) commenced in November 2012 and is set to last for 5 years.

VGBC has been contacted by the project implementing agency, and expects to be involved as a technical partner for the construction sector component of this project. VGBC will follow up closely the definition of their action plan within 2013.



## IFC – World Bank

As previously stated, VGBC worked closely with IFC during its project to support MOC upgrading its Energy Efficiency Building Codes in 2012. Once this work is complete, VGBC also expects to be involved in the next phase of their support, which is expected to address green building development.

Following the latest discussions, VGBC will hopefully be involved to build capacity at national level.

## Other bilateral donors – funding schemes

VGBC has been regularly receiving requests for meetings with various donor agencies. Several countries are willing to help Vietnam develop its energy efficiency strategy, policy and codes. VGBC will strive to collaborate and hopefully be involved in these programmes one way or another.

Thanks to its growing national recognition and amount of institutional partners, VGBC intends to build up proposals with its partners and seek for the necessary funding.

The funding proposal could encompass the following:

- Capacity building activities for all stakeholders
- Technical research and rating tool development
- Awareness raising activities
- Green building policy research
- Definition of National Appropriate Mitigation Actions
- All other green building related and needed activities from partners

These proposals will hopefully be determined in collaboration with the Government, academia partners, as well as with the industry.