

Briefing note

**Demystifying the Just Energy Transition
Partnership Between the International
Partners Group and Vietnam**



May 2023

It is a political declaration of commitments of the Government of Viet Nam and the members of the International Partners Group (*IPG*) to be implemented in conformity with applicable regulations and laws (the Vietnam JETP) entered into in December 2022. It is not a binding international agreement and does not give rise to rights and obligations under international law but notwithstanding its non-binding nature, it is a significant political declaration indicating Vietnam's serious and ambitious stance toward the energy transition and its goals to Net Zero, and the IPG and GFANZ's support to Vietnam.

JETPs had been entered into with South Africa, Indonesia, India, and Senegal as well.

Who are the parties in the Vietnam JETP?

1. Member-states of the International Partners Group (*IPG*):
 - a. European Union,
 - b. the United Kingdom of Great Britain and Northern Ireland,
 - c. the United States of America,
 - d. Japan,
 - e. The Federal Republic of Germany,
 - f. The Republic of France,
 - g. The Italian Republic,
 - h. Canada,
 - i. Kingdom of Denmark, and
 - j. Kingdom of Norway.
2. Socialist Republic of Vietnam

What are the main purposes of the Vietnam JETP?

1. To accelerate action towards the:
 - a. United Nations Framework Convention on Climate Change (*UNFCCC*);
 - b. The implementation of the Paris Agreement;
 - c. the implementation of the Glasgow Climate Pact;
 - d. Vietnam's goal of reduction in global greenhouse gas emissions (including reducing global carbon dioxide emissions by 45 percent by 2030 and to net zero by 2050);
 - e. Vietnam's commitments under the Global Methane Pledge, the Global Coal to Clean Power Transition Statement, and commitments to cease issuance of new permits and construction of new unabated coal-fired power generation.
2. In order to accelerate action towards the above, there is a need for new, predictable, long-term, and sustainable support from

partner countries and multilateral organisations and investors in finance, technology, and capacity building for Vietnam in accordance with the national framework of public debt and external debt management.

What are the main actionable resolutions in the Vietnam JETP?

1. To mobilise an initial amount of at least US\$ 15.5 billion over the next three to five years to support the needs of Vietnam's just energy transition.
2. The IPG members will work to mobilise US\$7.75 billion of public sector finance which should be on more attractive terms than Vietnam could secure in the capital markets.
3. The Glasgow Financial Alliance for Net Zero (**GFANZ**) Working Group (includes an initial set of financial institutions including Bank of America, Citi, Deutsche Bank, HSBC, Macquarie Group, Mizuho, MUFG, Prudential PLC, Shinhan, SMBC, Standard Chartered) will work to mobilise and facilitate at least US\$ 7.75 billion in private finance, subject to the mobilisation of the catalytic public sector finance by the IPG members.
4. The finance mobilisation will be enabled by the adoption of the Vietnam JETP Resource Mobilisation Plan (**JETP – RMP**) with the target date of adoption by November 2023.
5. Vietnam will continue its work to improve regulatory frameworks to expand both public and private investment into Vietnam focusing on renewable energy, and the just energy transition, including measures to improve energy efficiency and strengthen the electricity grid of Vietnam.

What is the main scope of work of the Vietnam JETP – RMP?

1. Development of an ambitious and reliable long-term legal framework for the green transition of Vietnam's economy.
2. Accelerating the decarbonisation of its electricity system from the current net-zero planning peak by 2035 to 2030.
3. Reduction of project pipelines for coal-fired generation as well as phasing out unabated coal-fired power generation after certain dates.
4. Deployment of renewable energy and development of technical expertise to support and manage a grid increasingly powered by renewable energy with at least 47% of electricity generation coming from renewables including wind, solar, and hydroelectricity power by 2030.
5. Lead a just transition aligned with the principles of the ILO Declaration on Fundamental Principles and Rights at Work.

6. Defining the role of the private sector such as de-risking credit, facilitating equity and bank finance, auctioning of permits, speeding up licensing, and enhancing competition.
7. Negotiating halting of investments in coal-fired power plants to deliver these goals.
8. Negotiating the closure of old, inefficient, unabated coal-fired power plants to facilitate access to clean energy.
9. Development of renewable energy including renewable energy hubs, storage battery and renewable energy equipment manufacturing, and green hydrogen production, development of offshore wind platforms combined with marine aquaculture and fishing logistics.