

The Missing “JUST”

in Vietnam’s Just Energy Transition Partnership (JETP)

Executive Summary

A report by **International Rivers**
and the **Vietnam Climate Defenders Coalition**

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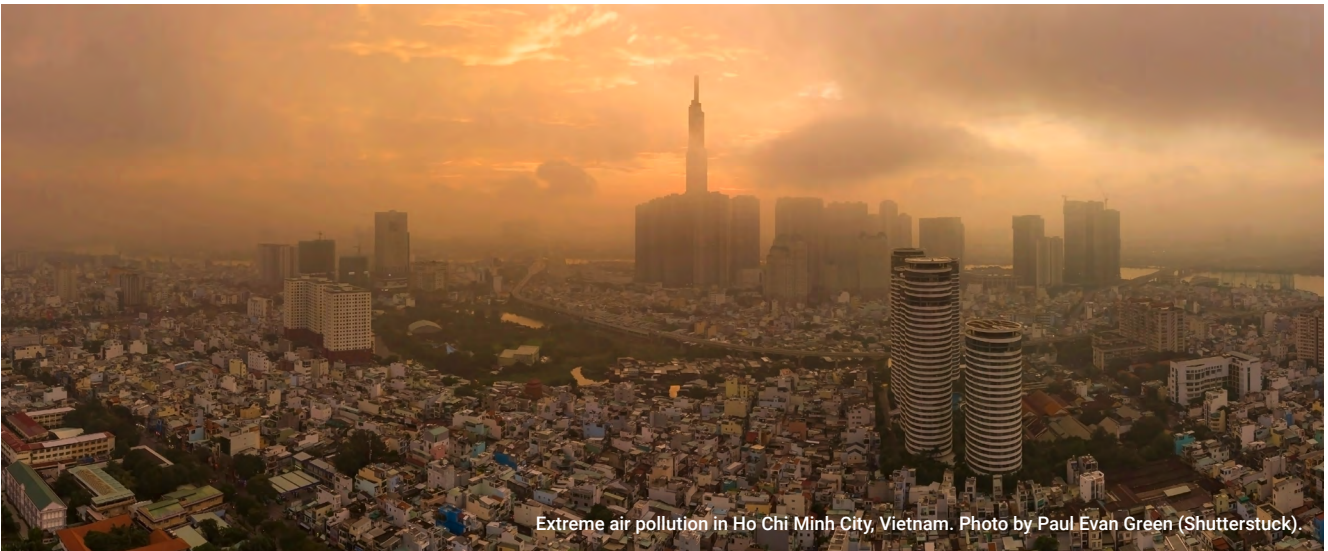


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EXECUTIVE SUMMARY

Vietnam faces major challenges in the climate crisis. The country is among Southeast Asia’s fastest-growing economies, with energy demands projected to increase at least six times by 2050 from 2020 levels.¹ Heavily dependent on coal, Vietnam is one of the fastest growing per capita GHG emitters worldwide, with emissions quadrupling from 2000-2015.² At the same time, the country is among five of the most vulnerable in the world to the impacts of climate change.³ More than 100 new high temperature records were broken across Vietnam in April 2024 alone.⁴ Together, these factors mean Vietnam’s energy transition is both critical and urgent. A sustainable and resilient energy system is crucial to limit Vietnam’s contributions to climate change and mitigate its adverse impacts within the country.

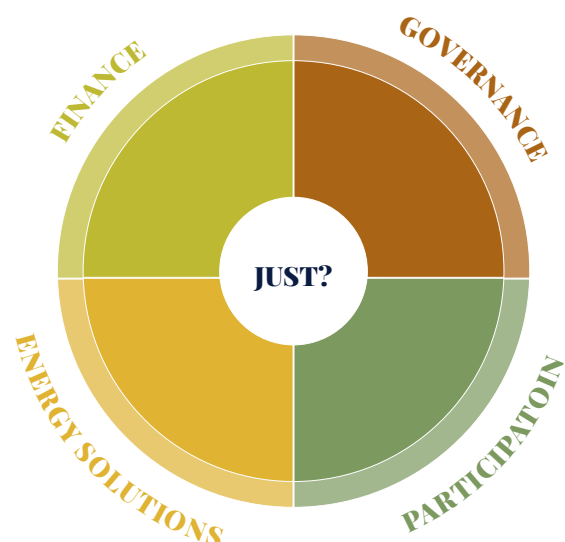
In light of Vietnam’s tremendous clean energy potential, as well as the need for international support for the country’s climate ambitions, the International Partners Group (IPG) – comprised of the European Union (EU), United Kingdom (UK), United States of America (USA), Japan, Germany, France, Italy, Canada, Denmark, and Norway – established the Just Energy Transition Partnership (JETP) with Vietnam in December 2022. JETPs are a relatively new financing mechanism aimed at accelerating clean energy transitions in developing countries.

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Additional financing partners for Vietnam include multilateral and national development banks and private financial institutions coordinated by the Glasgow Financial Alliance for Net Zero (GFANZ).

This report examines the details and development of the Vietnam JETP as well as the challenges in achieving a truly just and effective energy transition away from dependence on fossil fuels and other destructive energy sources. It was commissioned on behalf of the Vietnam Climate Defenders Coalition, a group of over 30 international and regional environmental, climate justice, and human rights organizations.

The report explores the “just” aspect of the JETP in relation to four key areas: finance; governance and implementation; technology and energy solutions; and public and civil society participation.





Suppression of climate and environmental activists in Vietnam has drawn concern about the ability of the JETP to achieve its objectives and utilize funds as intended.

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The proposed US \$15.5 billion JETP financing for Vietnam represents only a small fraction of the estimated US \$135 billion needed by 2030 just to implement Vietnam’s power development plans, and a projected US \$364 to \$511 billion required to implement the country’s energy transition by 2050.⁵ Nonetheless, the JETP has potential to establish a governance framework that will kickstart planning towards a comprehensive, fair, funded, and fossil fuel-free energy transition. This includes the goal of achieving a “just” and inclusive transition through participation and “broad social consensus.”⁶

However, the suppression of climate and environmental activists in Vietnam has drawn concern about the ability of the JETP to achieve its objectives and utilize funds as intended. Over the last few years, Vietnamese authorities have unjustly arrested and imprisoned six prominent climate leaders, experts, and advocates, and increased crackdowns on independent organizations working on environmental and energy issues in the country.

This has severely limited — perhaps eliminated — genuine opportunities for consultation with civil society, an essential part of the JETP as set out in the Political Declaration on Establishing the Vietnam JETP⁷ (Political Declaration). The arrests and wider fears of persecution in the environmental and energy sectors have also restricted access to information and public participation in Vietnam’s energy transition. Without civil society involvement in the process, it is difficult to see how the Vietnamese government can be held accountable in implementing a truly just energy transition or ensuring that the country meets its climate ambitions and targets.

There are additional challenges for the Vietnam JETP to achieve a “just” transition at the pace and scale needed to meet the threats posed by climate change. Firstly, the vast majority of the financing has been offered in the form of market rate loans rather than grants. This arguably contradicts the “just” aspect of the JETP by compelling Vietnam — and the Vietnamese people — to incur debt in order to finance the energy transition.

Further, there is an overall lack of clarity or guiding principles in defining what is required to achieve a “just” transition, reflected in both the JETP financing and its implementing framework. Little specific financing is dedicated to the “just” aspect of the JETP, including funding for the research necessary to understand key challenges, ensure wide consultation, monitor implementation, and achieve a broad consensus.



Piles of coal. Photo by Thor Jorgen Udvang (Shutterstock).

The Resource Mobilisation Plan (RMP), which sets out plans for implementing the JETP, addresses the “just” aspect largely as an afterthought rather than an integral aspect of the governance framework. Lack of coordination domestically within key ministries in Vietnam, and with and between international partners, also contributes to an overall lack of transparency, accountability, and consensus building in the JETP design and implementation.

Concerns extend to energy solutions that will be directly supported or facilitated by the JETP. While the Vietnamese government has made high level commitments to shift the country away from coal,⁹ reflected in the JETP Political Declaration,⁹ implementation plans do not currently include a concrete timeline for phasing out coal or specific plans for retiring any of the country’s coal plants. Further, Vietnam’s energy plans include proposals to scale up other carbon-intensive and environmentally destructive energy options associated with onerous economic costs, including reliance on imported liquefied natural gas (LNG), hydropower expansion, and untested plans to convert coal plants to biomass and ammonia co-firing.

Given the urgent infrastructure and policy investments needed to develop and utilize Vietnam’s vast potential for solar and wind energy, there is a risk that investments in false solutions will take priority over those needed to build a truly just, sustainable, and resilient energy system in a manner that safeguards the livelihoods, energy security, and wellbeing of Vietnam’s people.

“ Despite high level targets aimed at shifting Vietnam away from coal, implementation plans do not currently include a concrete timeline for phasing out coal or specific plans for retiring any of the country’s coal plants.”

This report makes the following recommendations to the Vietnamese government, JETP IPG and institutional partners, and public and private financiers and investors:

(1) Immediately secure the release of the climate and environmental defenders unjustly imprisoned in Vietnam.

- Ensure a transparent and credible review of the cases and treatment of imprisoned climate and environmental defenders and the circumstances of their detention.

(2) Center civil society and vulnerable groups in the clean energy transition by enabling them to participate freely and safely in monitoring and decision-making throughout the JETP planning and implementation processes.

- Establish an effective plan for public participation in the development of JETP plans, programs and projects. This must enable civil society involvement at each stage, including regular consultations with NGOs, marginalized communities, and affected stakeholders. The plan should include guarantees for information transparency and accountability and protections against reprisals for environmental defenders.
- Promote the necessary conditions for a safe and enabling environment for civil society to freely operate. This includes reform of laws and policies related to registration and tax requirements for civil society that are overly burdensome and incompatible with fundamental rights to freedom of assembly, association, and expression.
- Develop an independent authority or platform to oversee and monitor justice and transparency in the JETP, including representatives of civil society and other

stakeholders. The platform should have the power to receive and address complaints regarding specific projects and processes associated with the JETP roll-out.

energy transition, including grants for research and analysis, policy development, and institutional support.

(3) Develop clear principles on “just transition” for JETPs, based on a broad participatory process and consistent with the international human rights obligations of government and business stakeholders and the safeguard policy commitments of financing institutions.

- Establish a broad participatory process to define shared principles for a just transition, with input from civil society and affected peoples in recipient countries. This should, at a minimum, be consistent with obligations of Vietnam and IPG countries to international human rights, labor rights and environmental conventions as well as with environmental and social safeguard policies and commitments of international financing institutions.
- Draw on shared principles to develop a framework for defining the “just” in Vietnam’s energy transition. Any “just” framework must include recognition of procedural rights, along with substantive issues of justice and equity, and protections for civil society participation and environmental defenders.
- Undertake periodic transparent and public reviews of the “just” framework with local civil society, affected communities, and other stakeholders, to test its efficacy and incorporate feedback as necessary.

(4) Prioritize grants over debt financing in just transition funding pledges.

- Public financing in JETP financing packages should be additional to official development assistance (ODA), non-debt creating, and in line with principles of climate justice, including the polluter pays principle and recognition of the need for reparations for harms, losses and damages.
- Ensure adequate, dedicated funding in support of the just aspect of Vietnam’s

(5) Consult and improve coordination with and between international partners.

- Strengthen mechanisms for dialogue and coordination among IPG members on financing and support for the JETP, including on defining and implementing a just transition. This includes identifying gaps in funding and technical assistance, so there is no unfair burden on Vietnam.
- Leverage the work undertaken by international organizations, including the ILO’s guidelines for achieving a just transition. Ensure that efforts to support Vietnam in developing the JETP framework, including by UNDP and UNOPS, are informed by the work of other relevant UN agencies and mandates, including the Office of the High Commissioner for Human Rights (OHCHR) and Special Procedures of the UN Human Rights Council, such as the UN Working Group on Business and Human Rights.
- Collaborate with other JETP host countries to learn from good practices which may inform and strengthen the Vietnam JETP framework, including the role of civil society in building transparency, accountability, and effective implementation.

(6) Ensure clear commitments, including a timeline, for coal phase-out and investment in truly clean, sustainable, and resilient energy projects over false solutions.

- JETP partners should ensure they are not contributing in any way to the continued build out and operations of the coal fleet in Vietnam, including through undertaking a deep review of technical assistance, general financing, bonds, equity, insurance guarantees and financing via intermediary institutions.
- JETP partners should support a shift away from fossil fuels and other false solutions, including proposed reliance

on a massive increase in fossil gas consumption, hydropower expansion, and environmentally destructive and costly plans for coal plant conversion to biomass or ammonia co-firing.

- JETP partners should support Vietnam to prioritize unlocking its largely untapped and abundant solar and wind potential, including both utility scale and small and decentralized energy solutions. With investment in renewable energy production facilities this means rapid investment in necessary support systems, such as robust power grids, grid flexibility, battery storage options, and supportive legal and policy mechanisms.
- Plans developed under the JETP must be unequivocally aligned with a 1.5°C emissions compatible pathway, consistent with the Paris Agreement.
- JETP partners that have historical/ current involvement in developing coal mining or thermal power facilities must accept responsibility for supporting the roll-out of decommissioning plans, the full remediation of sites, and reparations for harms suffered by host communities.

(7) Establish oversight mechanisms and adequate resourcing to ensure a robust just policy framework for implementing and monitoring JETP associated projects and processes.

- Establish a Working Group within the JETP Secretariat that is responsible for guiding and coordinating the just aspect

of the energy transition. The Working Group should include representatives from the relevant ministries, including MOLISA, as well as members of the civil society and representatives from affected communities, including trade unions. The Working Group should receive and administer dedicated resources to undertake its mandate, coordinate with international partners, and undertake research and analysis to address current knowledge gaps.

- Develop and strengthen the policy framework for ensuring justice in the JETP and energy transition as a whole, based on the shared principles proposed above. The policy framework should incorporate consultation plans, updates to existing environmental and social impact assessment laws and regulations, and monitoring and accountability mechanisms, and be consistent with obligations of both Vietnam and IPG countries to international human rights, labor rights and environmental conventions as well as with environmental and social safeguard policies and commitments of international financing institutions.
- Advance and clarify the timeline for implementation for the just policy framework. Ministries tasked with justice- and equity-related work streams should be required to work on a tighter timeline, similar to those set out for the Secretariat and other ministries and Working Groups.



Van Long Natural Reserve. Photo by John Bill (Shutterstock).

ENDNOTES

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- 7 *Ibid.*
- 8 Vietnam committed to the 'Global Coal to Clean Power Transition Statement' at COP26 in Glasgow, including a transition away from coal by the 2040s (or as soon as possible thereafter): United Kingdom National Archives, 'UN Climate Change Conference UK 2021: Global Coal to Clean Power Transition Statement', 4 November 2021, <https://webarchive.nationalarchives.gov.uk/ukgwa/20230313120149/https://ukcop26.org/global-coal-to-clean-power-transition-statement/>.
- 9 *Supra* note 6 at para. 5.