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ANNEX I

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Viet Nam for 2024 and 2025

Action Document for Support to the Viet Nam Just Energy Transition Partnership Secretariat

MULTIANNUAL ACTION PLAN

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23(1) and (2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Support to the Viet Nam Just Energy Transition Partnership Secretariat OPSYS number: ACT-62629 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes Contributing to TEI 1: Climate Resilient, Low carbon, Circular economy
3. Zone benefiting from the action	The action shall be carried out in Viet Nam
4. Programming document	Multi-Annual Indicative Programme (MIP) for Viet Nam in 2021-2027.
5. Link with relevant MIP(s) objectives / expected results	MIP Priority area 1: Climate-responsive digital circular economy Specific Objective 1.2: Greener, smart and more efficient energy consumption and production
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	231 – Energy policy 232 – Energy generation, renewable sources 236 – Energy distribution
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all Other significant SDGs: SDG 5: Gender equality SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all SDG 13: Take urgent action to combat climate change and its impacts

8 a) DAC code(s)	DAC – 23110 – Energy policy and administrative management – 100%			
8 b) Main Delivery Channel	United Nations Development Programme			
	41100	41114	2023	UNDP
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input type="checkbox"/>	

	energy	<input type="checkbox"/>	<input type="checkbox"/>	
	transport	<input type="checkbox"/>	<input type="checkbox"/>	
	health	<input type="checkbox"/>	<input type="checkbox"/>	
	education and research			
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
BUDGET INFORMATION				
12. Amounts concerned	Budget line: 14.020131 Total estimated cost: EUR 1 000 000 Total amount of EU budget contribution: EUR 1 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the United Nations Development Programme (UNDP)			

1.2 Summary of the Action

Recognising the need to accelerate action towards the objectives of the Paris Agreement and of the United Nations Framework Convention on Climate Change, Viet Nam, as one of the countries most affected by the impacts of climate change, has made a commitment to reach net-zero emissions by 2050 at the COP26 conference in 2021. To realise this goal and achieve sustainable development, and transition into a greener and decarbonised economy, the Just Energy Transition Partnership (JETP) was established through a Political Declaration (PD) between the International Partners Group (IPG) and the Government of Viet Nam (GoV) in December 2022. The PD establishes that Viet Nam aims to (a) peak its greenhouse gas emissions in 2030; (b) increase the share of renewables in its power generation mix to 47% by 2030; and (c) reduce its coal pipeline with financial support from the IPG and the Glasgow Financial Alliance for Net Zero (GFANZ). For this purpose, the PD foresees the establishment of a JETP Secretariat and the development and implementation of a JETP Resource Mobilisation Plan (RMP). While the Secretariat was formally created in summer 2023 and the RMP launched in December 2023, the GoV will require assistance to progress towards the targets set in the PD through the implementation of the RMP.

The **Overall Objective** of this action is to accelerate the transition to a greener, more efficient and climate-smart energy consumption and production in Viet Nam.

The Specific Objectives of this action are to:

1. increase the effectiveness of the Viet Nam JETP Secretariat and of its four Working Groups in multi-stakeholder coordination, awareness raising, reporting and monitoring;
2. improve the regulatory, operational and financial frameworks that enable the implementation of the JETP through the JETP Secretariat.

The action will achieve the specific objectives by strengthening planning and coordination of the JETP Secretariat and of its four working groups; increasing stakeholder awareness of JETP; and enhancing monitoring, evaluation and reporting on progress of JETP. Moreover, support will be given for enhancing policy review and adopting progressive regulations for accelerating JETP implementation; and for strengthening technical advice and guidance to key stakeholders for RMP investments.

The proposed action is in line with the priority area 1 of the Multiannual Indicative Programme (MIP) with Viet Nam over the period of 2021-2027, namely, **Climate-responsive digital circular economy**, and the Expected Result 1.2.1: Energy efficiency is enhanced, and 1.2.2: Share of renewable energy in the power generation mix is increased. Moreover, the action fully contributes to the TEI 1 on Climate Resilient, Low Carbon Circular Economy. The EU Member States which are members of the JETP IPG besides the EU are Germany, Denmark, France and

Italy. Having a strong emphasis on climate change mitigation and contributing to sustainable and trusted connections that work for people and the planet, this action is a Global Gateway initiative and contributes to the Climate and Energy pillar of the strategy.

Likewise, the action will contribute to the fulfilment of the EU Gender Action Plan 2021-2025 (GAP III)¹, in particular to its thematic area of engagement 'Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation'.

The action will primarily contribute to SDG 7 (Ensure access to affordable, reliable, sustainable and modern energy for all). SDG 5 (Gender equality), SDG 13 (Take urgent action to combat climate change and its impacts) and SDG 8 (Decent work and economic growth) will also be addressed.

¹The [Gender Action Plan III](#) is a Joint communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy which was welcomed through [EU Presidency Conclusions](#) of 16 December 2020 endorsed by 24 Member States

2 RATIONALE

2.1 Context

At COP26 in Glasgow in November 2021, Viet Nam committed to achieve net-zero emissions by 2050. As a consequence, the GoV and the IPG, initially consisting of the G7 and meanwhile extended with the European Union, Norway and Denmark, engaged into a political dialogue to agree on a partnership towards clean energy transition. This was formalised with an agreement on the Viet Nam JETP Political Declaration (PD) in December 2022. The PD underlines the IPG's commitment to mobilise USD 7.75 billion of public finance and USD 7.75 of private finance as part of establishing the JETP 'as a long-term, ambitious partnership to support Viet Nam's low-emission and climate resilient development'. It also envisages that a Secretariat shall be formed to 'support the management of the long-term partnership to support Viet Nam's just energy transition and to facilitate and coordinate technical work according to the instructions of Viet Nam and the IPG'. The European Union and the United Kingdom co-lead the IPG and thus engage with the Government counterparts on behalf of the IPG. The IPG co-leads were also appointed to coordinate between the IPG members, to share and divide tasks and information, as well as ensure the overall functioning of the partnership with the GoV.

Viet Nam's Prime Minister issued Decision No. 845 in July 2023 on the establishment of a JETP Secretariat to implement the PD, with the Ministry of Natural Resources and Environment (MoNRE) functioning as the standing agency leading development and implementation of the JETP RMP. Decision No. 1009 approved an implementation 'scheme', which transforms the PD into a legally binding document under Vietnamese law and allocates responsibilities for Vietnamese entities to implement the JETP. Importantly, the Scheme outlines the task of four relevant Ministries to establish four Working Groups respectively under the Secretariat as follows: MoNRE - General working group; Ministry of Planning and Investment (MPI) - Institutional, policy and investment group; Ministry of Industry and Trade (MOIT) - Technology and Energy Group, and Ministry of Finance (MOF) - Finance group.

In line with the PD, the IPG engaged with the Government counterparts throughout 2023 to develop the RMP by November 2023. The RMP was finally launched at COP28 in Dubai on 1 December 2023, marking an important step towards the implementation of the commitments Viet Nam made at COP26 and the commitments both parties, GoV and IPG made in the PD. The RMP sets out energy investment needs for Viet Nam's energy transition, provides more detail on the financial package of the IPG, and highlights priority policy measures to overcome regulatory barriers for investment. It marks a step forward and is more ambitious than Viet Nam's Power Development Plan 8 (PDP8) for the period of 2021-2030 with a vision to 2050, which was adopted on 15 May 2023. While the PDP8 presents Viet Nam's long-term objective to form an energy ecosystem based on renewable energies, it has been criticized for falling short in terms of environmental ambition.

2.2 Problem Analysis

With a significant annual GDP growth rate of 6.21% Viet Nam is experiencing a fast-growing demand for energy. From 2018 to 2022, the electricity demand in the country grew with a significant surge of 25%. Concurrently, Viet Nam is one of the non-insular countries that is most-severely affected by climate change and the consequential climate hazards. Population is dense and concentrated near the 3.260 km coast line. Low-lying lands e.g. in the Mekong or Red River delta are at high risk of floods. While the negative effects of climate change are wide, they are not equally distributed as women, mainly ethnic women living in rural areas of Viet Nam are disproportionately impacted. Gender inequality prevails in every field, including the renewable energy sector, restricting equality of access and opportunities for women. Against this backdrop, while addressing the growing energy demand, the need for a just and clean energy transition, in alignment with the Paris Agreement to pursue efforts to limit global warming to 1.5%, is as timely as ever.

The objectives and efforts of Viet Nam to reach its net zero target by 2050, and bring forward the carbon emission peak from five years to 2030, come in timely as currently all sectors of the economy remain dependent on fossil fuels. The energy sector represents 60% of GHG emissions in Viet Nam, nearly half of which originate from electricity production and consumption. Therefore, the power sector is a priority for decarbonisation. A large

amount of the electricity sector's GHG emissions are caused by coal consumption.

While the launch of the JETP RMP marks an important step in implementing the JETP and represents a crucial development in ensuring a successful clean energy transition, the way forward is yet to be defined. Contrary to expectations, the launch of the RMP at COP28 did not create a momentum on the implementation of the JETP on other fronts. Most importantly, the Secretariat and its four working groups, together constituting the main governmental implementing bodies of JETP, have been formally established but are largely not yet operational.

MoNRE is currently the only Ministry that has formed a functioning working group. This 'General Working Group' is led by the Vice Minister of MoNRE and the group was responsible for drafting the RMP. The tasks of the group include monitoring, assessing, evaluating and summarising the process of implementing the objectives outlined in the Scheme, RMP and PD; and providing periodic reports on the implementation of JETP to the Prime Minister and the National Steering Committee for implementing Viet Nam's commitments to NZ2050.

The second working group is the 'Institutional, Policy and Investment group', which is to be established by MPI and led by its Vice Minister. This group is responsible for institutional improvement addressing obstacles, and reforming procedures to facilitate international investors to participate in the just energy transition, mainstreaming the transition into the national long- and medium-term programs, strategies, and plans.

The third working group, the 'Technology and Energy Group', is to be formed by MOIT and led by its Vice Minister. This group is responsible for reviewing and proposing the improvement of policies and regulations to promote the implementation of just energy transition; identifying needs, and coordinating technical and technology transfer activities in implementing the JETP.

The fourth working group under the Secretariat is the 'Finance Group', to be established by MOF and led by a Vice Minister of MOF. This group is responsible for organising negotiations to mobilise financial support from the IPG, GFANZ, and other stakeholders to implement the JETP PD.

The current bottlenecks identified as hampering the functioning of the JETP Secretariat vary from limited engagement and ownership by the relevant Government entities, human resource gaps of the JETP Secretariat, limited coordination and cooperation capacity among stakeholders, lack of existing workplans, logistical challenges, to communication gaps. Addressing these constraints is necessary for the full establishment and operationalisation of the four working groups constituting the Secretariat, and further moving towards full implementation of the JETP in Viet Nam.

The USD 15.5 billion of public and private finance committed by the IPG and GFANZ to support Viet Nam's clean energy transition process is significant. Yet, this is still a minor share of the overall required amount estimated in the financial analysis of the projections in the Nationally Determined Contributions and PDP8. Moreover, the IPG and GFANZ finance can only be made available once the most crucial JETP implementing structures (Secretariat and WGs) are in place and fully functioning and existing regulatory bottlenecks that hamper investments and project implementation have been addressed.

As part of the JETP dialogue between the IPG and the GoV, both parties agreed that support to the Secretariat would be required to assist in setting up the Secretariat, strengthen capacities and provide international technical expertise to the work of the working groups. It was agreed with MoNRE as the lead partner Ministry that for this purpose UNDP would officially be nominated as the *Secretariat's Support Agency* (SSA). This decision was established through communication between the two parties, Viet Nam and the IPG. Accordingly, the IPG has been requested to provide adequate funding for UNDP to fulfil its task as Support Agency. This function involves – among other activities and besides technical advice – a variety of aspects related to day-to-day coordination and dialogue, stakeholder engagement, enhancing cooperation between Working Groups, the IPG and other relevant entities, and monitoring and evaluation.

So far, UNDP has covered the cost for the support it provided to the Secretariat itself, in particular to develop the RMP in 2023. The United Kingdom is financially supporting the Support Agency of the Secretariat for the period from April 2024 to March 2025 (currently proposed at around EUR 2 million). Other IPG members have come forward and offered to second experts to provide specific expertise where needed and fill capacity gaps in

addition to the support through UNDP. Most IPG members, however, have indicated that they will not be able to financially contribute to UNDP's function as the SSA.

The EU funding in support of UNDP's SSA function aims to facilitate the continuation of efforts to implement the JETP by identifying bottlenecks and providing technical support and support for policy reforms. Against this backdrop, this action is proposed to ensure continued support from 2025 onwards to ensure the operationalisation of the Secretariat and active implementation of the JETP RMP. However, financial needs remain to be addressed for the continuation of the work of the Support Agency to the Secretariat well beyond March 2025.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The Secretariat is headed by the Minister of MoNRE; the Vice Minister of MoNRE is the Standing Deputy Head of the Secretariat; the Vice Minister of MoIT, Vice Minister of MPI, and Vice Minister of MoF are Deputy Heads of the Secretariat. The Secretariat and its four working groups are the main governmental bodies to implement the Viet Nam JETP.

UNDP is the officially appointed Support Agency to the Secretariat, and the implementing partner of this Action. UNDP, in its function as the Support Agency to the Secretariat, will enhance coordination, logistical arrangements and cooperation between different stakeholders and in this way address the bottlenecks currently hampering the implementation of the JETP.

IPG's main role is to monitor and review the process of the JETP RMP and JETP PD implementation, and to support the Secretariat when required. While not yet the case, IPG's role in the future will be to function as a part of the Secretariat.

MoNRE is the lead Ministry of the Secretariat and the general working group of the Secretariat which focuses on monitoring, commissioning the biennial review, and reporting. Notably, **the Department of Climate Change** has been the leading department under MoNRE, for example in the process of writing the RMP and liaising with all stakeholders.

MPI will direct the Institutional, Policy and Investment working group to perform assigned tasks. MPI will also lead and coordinate together with MOF and relevant ministries in identifying the need for aid and private investment for a just energy transition; and mobilize and allocate domestic investment capital, official development assistance (ODA), concessional loans and non-refundable aid not covered by official development assistance for the implementation of the RMP.

MOIT will form and direct the Technology and Energy Group in its responsibilities and assigned tasks. MOIT will lead in proposing mechanisms, policies and regulations for implementation of the energy transition; formulate offshore wind power development plans and proposals, and lead in proposing priority projects to implement the just energy transition with resources from IPG, GFANZ and other financial institutions; and Coordinate with IPG and relevant ministries and agencies to propose the establishment of the International Centre of Renewable Energy located in Viet Nam.

MOF is the Ministry responsible of establishing and leading the Finance Group. MOIT is key in organising negotiations to mobilise financial support from the IPG, GFANZ, and other stakeholders, including bilateral and multilateral financial institutions, the private sector, and other parties related to implementing the JETP Declaration; and in leading and coordinating with other ministries in developing financial mechanisms and policies to encourage private sector to actively engage in the energy transition.

Other key Ministries have also been assigned responsibilities under the JETP RMP and will be communicated and coordinated with on ad hoc basis. For example, the Ministry of Labour, War Invalids and Social Affairs (MOLISA) will engage on the development of Just Transition framework; the Ministry of Transport (MOT) will engage for relevant projects and policy dialogues, and the Ministry of Foreign Affairs (MOFA) will attract international resources through high-level foreign affairs activities etc.

The **GFANZ** (Glasgow Financial Alliance for Net Zero) consists of large private sector financial institutions

including Bank of America, Citi Bank, Deutsche Bank, HSBC, Macquarie Group, Mizuho, MUFG, Prudential PLC, Shinhan, SMBC, and Standard Chartered. The role of GFANZ is to facilitate meetings with WGs, government Ministries and other agencies; and to provide coordination support towards determining (blended) financing options and means to increase access to private capital.

International Finance Institutions such as World Bank, ADB, and KfW will facilitate coordination and meetings with project developers, government institutions, and working groups on access to finance, and communicate on an ad-hoc basis.

The **State Bank of Viet Nam** shall engage in the review and formulation of policy, facilitate coordination and meetings between IPG members and project developers on access to finance.

International Development Organisations such as ILO, GiZ, USAID, and AfD will consult on the policy review, development and JETP Framework; share information and communicate on an ad-hoc basis.

The **Viet Nam Energy Partnership Group (VEPG)** shall be coordinated with on information sharing, facilitating engagement of VEPG and MOIT and analysis required for biannual review process; consultation on policy review, development, and JETP Framework; and communication on ad-hoc basis. VEPG Working Groups are technical by nature, while JETP Working Groups are more policy-focused, ensuring that the cooperation is mutually supportive and there is no risk of overlap. This coordination mechanism between the two will be further developed.

Media and NGOs including Women's organizations on information sharing, consultation on policy review, development and JETP Framework, as well as communication on an ad-hoc basis.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to accelerate the transition to a greener, more efficient and climate-smart energy consumption and production in Viet Nam.

The Specific Objectives of this action are to:

1. increase the effectiveness of the Viet Nam JETP Secretariat and its four working groups in multi-stakeholder coordination, awareness raising, reporting and monitoring;
2. improve the regulatory, operational and financial frameworks that enable the implementation of the JETP through the JETP Secretariat.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

Contributing to Specific Objective 1:

- 1.1 increased capacities of the JETP Secretariat and its four working groups for strategic planning and coordination with the VEPG and other relevant stakeholders;
- 1.2 increased stakeholder awareness on JETP's mandates and areas of interests;
- 1.3 increased availability of technical analysis, financial and gender disaggregated data on the performance of the JETP and the implementation of the most relevant sectoral policies.

Contributing to Specific Objective 2:

- 2.1 increased capacities and tools for the participatory identification of current legislative and regulatory barriers in priority areas of JETP RMP and Decision 1009² and related policy proposals;
- 2.2 improved capacities of project developers and financiers in the preparation of bankable projects and the mobilisation of RMP investments.

² Please see [1009_QD-TTg_31082023_ENG.pdf \(vepg.vn\)](#).

3.2 Indicative Activities

Activities relating to Output 1.1:

- 1.1.1. assist in the development of annual work plans in consultation with relevant stakeholders, for the Secretariat and four working groups;
- 1.1.2. support needs identification and formulation of Terms of References (TORs) for short-term and long-term expertise to be provided to the Secretariat;
- 1.1.3. coordinate assistance and the specific expertise to be provided directly to the Secretariat;
- 1.1.4. seek to establish working relationship, on an ad hoc basis, between the JETP Secretariat and its Working Groups with the VEPG and its Technical Working Groups for technical cooperation and recommendations.

Activities relating to Output 1.2:

- 1.2.1. organise regular Secretariat and working groups meetings as well as policy dialogue meetings among Ministries, IPG, GFANZ and other stakeholders;
- 1.2.2. support the organization of COP26 Steering Committee Meetings;
- 1.2.3. provide capacity building and training activities for Secretariat and working group members on needs identified;
- 1.2.4. develop JETP Communication plan. A clear connection will be established between the communication approach and outputs of the action supporting the JETP secretariat and the EUD. The action will support the EU's own communication efforts on Global Gateway through access to material and data. Relevant coordination will be ensured with INTPA communication services.

Activities relating to Output 1.3:

- 1.3.1. support MoNRE in synthesizing annual M&E reports and develop the general M&E report on JETP implementation;
- 1.3.2. review JETP M&E Framework as needed, including technical analysis and financial mobilisation tracking;
- 1.3.3. support the discussion of M&E results among ministries, IPG, GFANZ, and other stakeholders;
- 1.3.4. develop Annual or Biennial review to assess progress towards technical analysis related to JETP.

Activities relating to Output 2.1:

- 2.1.1. continue identifying policy gaps as well as legislative and regulatory barriers in priority areas of JETP RMP and Decision 1009, following international best practices;
- 2.1.2. facilitate consultations to gather input on potential solutions and develop concrete recommendations for revising existing or formulating new policies, which are actionable, aligned with stakeholder needs, and support the implementation of JETP RMP;
- 2.1.3. facilitate agreement on concrete policy recommendations up to DG level in the relevant Ministries;
- 2.1.4. develop TORs for policy action advice from external experts to complement internal technical capacity.

Activities relating to Output 2.2:

- 2.2.1. provide technical analysis and support to project developers and financiers in identification and preparation of bankable projects;
- 2.2.2. jointly with GoV and IPG draft TORs for required services to support project developers and financiers.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environmental Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is at no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled G1. This implies that gender equality is a significant cross cutting objective and mainstreamed across project outputs and indicators. The action will empower women's and girl's rights to participation and decision-making in policy development and promote equal access to and control over resources and job opportunities through the support of the implementation of the 'just' element of the Viet Nam JETP. The action will be consistent with EU Gender Action Plan-GAP III, especially in the thematic area of engagement and addressing the challenges of harnessing opportunities offered by green transition. The implementing partner of this action is requested to apply gender balanced approach in the recruitment processes.

Human Rights

By funding activities of the SSA, the project indirectly addresses human rights impacted by climate change in Viet Nam. These include the right to life, health, food security, and information; right to work, safe and healthy working conditions, freedom from discrimination, and participation in public affairs through expanding who can play a part in the determination of policy actions for Viet Nam's just energy transition. In line with JETP PD, the project aims to seek a social consensus, inclusive of engagement of civil society. Part of these efforts are driven by seeking modalities to enact a Just Transition framework, consistent with just criteria in the JETP RMP. In alignment with the EU's human rights-based approach, which distinguishes between right holders and rights bearers, the project directly supports meaningful and inclusive participation and access to decision making, non-discrimination and equality, and transparency and access to information. The application of these principles to the SSA project will support positive national policy changes to accelerate Viet Nam's low-carbon transition.

The project also aims to support resource mobilisation efforts for marginalised groups, support policy development for improved clean energy access, promote equitable access to the benefits associated with energy projects, protect low-income households and small businesses from negative effects of the transition, and support the right to decent work in alignment with ILO Declaration on Fundamental Principles and Rights at Work per the JETP PD.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that support to people living with disability is not targeted by this action as it consists of providing technical assistance to the Secretariat established by the GoV with the participation of the IPG to implement the Viet Nam JETP.

Reduction of inequalities

As per Inequality Marker, this action is labelled as I-1. This implies that the action is considered a significant objective for inequality reduction. Though Viet Nam has experienced significant economic growth over the past two decades and over 98% of the population has access to electricity, significant inequalities can be observed. Rural areas have lower electrification rates compared to urban areas, with limited access to grid-connected electricity. Low-income households are more vulnerable to energy prices and are particularly sensitive to rising energy costs and meeting basic electricity needs. Geographical disparities exacerbate these conditions, as remote and mountainous regions face challenges with grid infrastructure expansion. The JETP Resource Mobilisation Plan, if fully implemented, may be able to provide whole of society benefits, with the creation of quality jobs, reduction in health inequalities driven by the decommissioning of coal-fired power stations and other fossil fuels, and emphasising a just, equitable and inclusive transition for workers, consumers, and affected communities as well as other objectives underpinning Viet Nam's JETP PD.

Democracy

Project activities, particularly associated with Specific Objective 2, aim to strengthen legal frameworks to support implementation of the JETP RMP. The development of actionable policy recommendations will also contribute to good governance.

Conflict sensitivity, peace and resilience

Developing policies and legal frameworks which invest in renewable energy technologies towards net-zero reduces conflict drivers related to resource scarcity of fossil fuels and mitigates the risk of conflict associated with extreme climate related events (e.g., floods, droughts). Investment and technical assistance projects enabled by the SSA will promote Viet Nam's self-reliance, reduce dependence on imported fossil fuels, and reduces external pressure points associated with fossil fuel energy imports. Ultimately, Viet Nam's JETP also serves as an economic opportunity to create new jobs and industries in renewable energy, particularly in domestic manufacturing, while also supporting technology transfer for renewable energy technologies yet to be piloted in Viet Nam. Renewable energy technologies are increasingly decentralised, enhancing independence, while also building cooperation and trust across (isolated) communities, in turn reducing the risk of conflict.

Disaster Risk Reduction

Project activities aim to improve energy security within Viet Nam and may also invest in infrastructure resilience through strengthening vital grid networks, retrofitting critical energy infrastructure, and implementing natural resource management practices related to critical domestic materials needed for the transition.

Other considerations if relevant

Facilitating access to diverse sources of finance, enabling the development of well-functioning Secretariat Working Groups, and seeking the active involvement of civil society, private stakeholders, and other stakeholders are key consideration of the Secretariat Support Agency. Further, supporting capacity building and technology transfer, in pursuit of the development and deployment of at scale clean energy technologies is of paramount interest. For the public, it is additionally important to build awareness to raise support for climate action as well as knowledge exchange among researchers, policymakers and practitioners to strengthen climate action capacity. Finally, robust data collection for monitoring and evaluation is viewed as essential for enhancing the effectiveness of implementation of JETP in Viet Nam.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Political Risk	Lack of adequate political engagement and commitment by the GoV to continue the JETP	High	High	Maintain and further strengthen high level dialogue between IPG co-leads and GoV; ensure active engagement of the action and the IPG with each Working Group to determine consensus points in an effort to seek joint decision making; seek higher level intervention within the GoV (e.g. COP26 Steering Committee); seek avenues at a technical level on project development to engage on key barriers which can be further disseminated to GoV.
Delivery Risk	Limited ownership and buy-in of MOIT as the owner of the PDP8, as well as MPI and MOF into the JETP Secretariat jeopardises	High	High	IPG co-leads to engage specifically with MOIT through on-going support, such as EU-funded budget support programme and via VEPG mechanism; harnessing the influence of the GoV's COP26 Steering Committee.

	implementation of RMP			
Delivery Risk	Limited coordination of support to the JETP Secretariat/four Working Groups from IPG members through UNDP and by seconded experts, and of additional expertise provided by other development partners/actors	Medium	Medium	UNDP will be assigned a strong coordination role as part of the action and mandated to coordinate all inputs provided through UNDP and through secondees; IPG will contribute to the coordination process by keeping close contact with all development partners who support energy transition in parallel to the JETP process.
Delivery Risk	Lack of clarity on working relations between the Secretariat/WGs and the IPG, i.e. clarity on IPG's role within the Secretariat	Medium	Medium	Focus on shared objectives, emphasizing the common ground and shared benefits between the GoV and the IPG; keeping track of progress and making timely adjustments when and where it is required; and separately engaging in (closed-door) meetings with GoV and IPG stakeholders, to discern areas of conflict and seek areas of consensus.

Lessons Learnt:

Over the first quarter of 2024, the JETP Secretariat did not operate at its potential functionality, hence lessons learnt relate to the past and current developments of the Secretariat rather than its functioning. As of April 2024, the Secretariat and three out of four working groups, while formally established, are not yet fully operational and the capacities of the GoV to effectively implement the JETP RMP and PD remain insufficient and limited, making technical and operational support pivotal. Moreover, it appears that internal political sensitivities and headwinds within the GoV as well as power dynamics between ministries are weakening the willingness of some stakeholders to collaborate under the JETP RMP, which has resulted in different levels of engagement among the government stakeholders. While MoNRE, MPI and MOF have expressed more willingness to engage and coordinate with the IPG and other key actors, MOIT has not yet shown the required engagement, which is of concern given MOIT's ownership of the PDP8.

While the GoV seems to be willing to receive the IPG public financial support as per JETP PD, it simultaneously upholds regulatory frameworks that make investment processes cumbersome, time-consuming and difficult. Similar issues are faced by the private sector actors that would in theory be willing to invest in Viet Nam's just energy transition. The GoV, while not itself investing in its energy transition, is at the same time not creating a favourable environment for the public and private sector to invest in it. Thus, supporting the strengthening of existing policies and providing recommendations for new policies and reforms of the regulatory framework, as foreseen under this action, will be crucial to implement the JETP PD.

Importantly, whereas it was initially planned that the Secretariat be headed by both the GoV and the IPG, the GoV opted to make the Secretariat a merely government-led body. Therefore, to ensure the IPG involvement and to be in a better position to address the bottlenecks and ensure timely flow of activities and investments, this action will help to realise an active role of the IPG in the Secretariat.

3.5. The Intervention Logic

The JETP Secretariat is intended to benefit from support through the assignment of UNDP as Secretariat's Support Agency (SSA), which in turn will be supported by the IPG in its operations and the role of the Secretariat to provide technical assistance towards the implementation of the PD and the RMP. UNDP is expected to set up and manage a pool of staff and technical experts, providing supplemental technical and operational capacity towards the development and implementation of investment and technical assistance projects. The planned outputs are intended to serve as a continuation of the support provided by the UK, co-leading the IPG jointly with the EU, which starts in April 2024 and will end on 31 March 2025. It is envisaged that the EU support will cover similar activities, that however might need to be adjusted and completed depending on the developments until and after the end of the UK support, to further strengthen the institutional capacity of the Secretariat and the four working groups, and enhance coordination and strategic partnerships of different stakeholders (e.g., IPG, GoV, GFANZ, development partners, banks, investment project proponents etc.). Recognising the limited technical capacity within the government to accelerate policy actions tied to the JETP PD, RMP, and JETP Scheme (Decision 1009 QD/Ttg), it can be understood that the planned outputs are intended to improve the governance environment pertaining to Viet Nam's energy transition.

The underlying intervention logic for this action is that IF the capacities of the JETP Secretariat and its four working groups for strategic planning and coordination with the VEPG and other relevant stakeholders are increased (Output 1.1.), IF stakeholder awareness on JETP's mandates and areas of interests are increased (Output 1.2.), AND IF the availability of technical analysis, financial and gender disaggregated data on the performance of the JETP and the implementation of the most relevant sectoral policies are increased (Output 1.3.), THEN the effectiveness of the Viet Nam JETP Secretariat and its four Working Groups in multi-stakeholder coordination, awareness raising, reporting and monitoring are increased (Specific Objective 1), PROVIDED THAT different GoV stakeholders, specifically the key line ministries, engage in implementing JETP in Viet Nam, AND that the environment for the work of a Secretariat Support Agency is conducive.

Additionally, IF the capacities and tools for the participatory identification of current legislative and regulatory barriers in priority areas of JETP RMP and Decision 1009 and related policy proposals are increased (Output 2.1.), AND IF capacities of project developers and financiers in the preparation of bankable projects and the mobilisation of resources as per RMP for investments are improved (Output 2.2.), THEN the regulatory, operational and financial frameworks that enable the implementation of the JETP through the JETP Secretariat are improved (Specific Objective 2), PROVIDED THAT the GoV remains open to receive and accept policy recommendations on how to address bottlenecks for successful project implementation, AND all relevant stakeholders have room to engage including on project identification and developing projects to bankable approaches for energy transition.

Ultimately, IF the effectiveness of the Viet Nam Just Energy Transition Partnership Secretariat and its four Working Groups in multi-stakeholder coordination, awareness raising, reporting and monitoring are increased, AND IF the regulatory, operational and financial frameworks that enable implementation of the JETP through the JETP Secretariat are improved, THEN the action will contribute to accelerating the transition to a greener, more efficient and climate-smart energy consumption and production in Viet Nam.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ³	Targets (values and years)	Sources of data	Assumptions
Impact	Accelerated transition to a greener, more efficient and climate-smart energy consumption and production in Viet Nam	1. Greenhouse Gas (GHG) emissions avoided (tonnes CO ₂ eq) with EU support (GERF 2.7)** 2. Share of electricity generated from renewable sources (solar and wind) in total electricity generation capacity (MIP)*	1. 2014 2. 14.6 %/ 2019	1. -20%/ 2030 2. 47 % by 2030 (JETP Political Declaration)	1. Viet Nam Green Growth Strategy 2. MOIT annual report on implementation of PDP8 and VNEEP3 implementation report	<i>Not applicable</i>

³ A baseline of 0 is an acknowledgement that although activities continue from the UK PACT project, this is to be treated as an entirely separate and new effort.

Outcome 1	1. Increased effectiveness of the Viet Nam JETP Secretariat and its four Working Groups in multi-stakeholder coordination, awareness raising, reporting and monitoring	<p>1.1. Extent to which the Secretariat Support Agency has provided effective assistance to the Secretariat and the four working groups</p> <p>1.2. % of members of the Secretariat and its Working Groups that report better coordination and alignment among the institutions that are part of the JETP (disaggregated by sex)</p>	<p>1.1. To limited extent/ 2024</p> <p>1.2. 0/ 2024</p>	<p>1.1. To significant extent/ 2025</p> <p>1.2. TBD during the inception phase</p>	<p>1.1. Annual report by the Secretariat Support Agency</p> <p>1.2. Baseline and endline conducted and budgetd by the EU funded intervention</p>	The Government continues to pursue net zero emission targets by 2050
Outcome 2	2. Improved regulatory, operational and financial frameworks that enable the implementation of the JETP through the JETP Secretariat	2.1 Number of policy recommendations under implementation by relevant government department/entity (OPSYS Core Indicators)	2.1. 0/ 2024	2.1. 5/ 2025 5/ 2025	2.1. Annual report by the JETP Secretariat	Competent institutions and decision-makers keep committed to accelerating the transition into renewable energy sources, encouraging policy reforms and new investment projects
Output 1 relating to Outcome 1	1.1. Increased capacities of the JETP Secretariat and its working groups for strategic planning and coordination with the VEPG and other relevant stakeholders	<p>1.1.1. Number of annual Work Plans developed in coordination with the JETP Working Groups with the support of the EU-funded intervention</p> <p>1.1.2. Number of public institutions and/or key stakeholders that are participating in the Secretariat and four working groups' meetings on a regular basis</p>	<p>1.1.1. 0/ 2024</p> <p>1.1.2. 0/ 2024</p>	<p>1.1.1. 4/ 2025</p> <p>1.1.2. TBD in the inception phase1.1.1. 4/ 2025</p>	<p>1.1.1. Progress and final report funded by the EU funded interventions</p> <p>1.1.2. Minutes of the JETP Working Groups' meetings</p>	Continued motivation of actors within the Secretariat and Working Groups to engage with the IPG and other key stakeholders in implementing the JETP.

Output 2 relating to Outcome 1	1.2. Increased stakeholder awareness on JETP's mandates and areas of interests	1.2.2. Status of the JETP Communication plan	1.2.2. not existing/ 2024	1.2.2. developed and under implementation/ 2025	1.2.2. Progress and final report by the EU funded intervention	GoV enables awareness sharing avenues for JETP.
Output 3 Relating to Outcome 1	1.3. Increased availability of technical analysis, financial and gender disaggregated data on the performance of the JETP and the implementation of the most relevant sectoral policies	1.3.1. Number of M&E reports produced by the JETP Secretariat and its four working groups with the support of the Eu-funded intervention 1.3.2. Number of documents with technical analysis produced by the Secretariat with the support of the EU-funded intervention including financial and gender disaggregated data	1.3.1. 0/ 2024 1.3.2. 0/ 2024	1.3.1. TBD, 2025 1.3.2. TBD/ 2025	1.3.1. M&E Reports by the JETP Secretariat 1.3.2. Progress and final report by the EU funded intervention	The environment for the work of a Support Agency is conducive. Data is made available from all stakeholders, including from the private sector.
Output 1 relating to Outcome 2	2.1. Increased capacities and tools for the participatory identification of current legislative and regulatory barriers in priority areas of JETP RMP and Decision 1009 and related policy proposals;	2.1.1 Number of documents with policy inputs (e.g. position papers) produced by stakeholders with support of the EU-funded intervention	2.1.1. 0/ 2024	2.1.1. 8/ 2025	2.1.1. Progress and final report by the EU funded intervention	GoV remains open to policy recommendations on how to address bottlenecks for project development.

Output 2 relating to Outcome 2	2.2 Improved capacities of project developers and financiers in the preparation of bankable projects and the mobilisation of RMP investments.	2.2.1 Number of Technical Assistance / investment projects supported with technical inputs from the EU-funded intervention (based on OPSYS core indicators)	2.2.1. 0/ 2024	2.2.1. 5/ 2025	2.2.1. Progress and final report by the EU funded intervention riat	Relevant stakeholders have room to engage including on project identification and developing projects to bankable approaches for energy transition.
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with Viet Nam.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 30 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with the United Nations Development Programme (UNDP). This implementation entails all objectives and results as described in section 3 to which this modality will contribute to achieving.

The envisaged entity has been selected using the following criteria: (i) UNDP is a holder of an important normative and standard setting mandate as it has been officially assigned by the GoV, to act as the Support Agency to the Secretariat of the Viet Nam Just Energy Transition Partnership. UNDP has been selected by the Government as Support Agency to the JETP Secretariat in line with the advice of the International Partners Group (IPG) under the Viet Nam JETP; (ii) UNDP is an important policy and strategic interlocutor for the MoNRE, which is the lead partner for the JETP Secretariat and as such the host of the Secretariat. This is also the reason why UNDP has been nominated as Support Agency by the GoV; (iii) moreover, UNDP acts as key implementer for the delivery of the EU's development assistance also in other sectors and delivers high quality.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case the implementation modality in indirect management as specified under 4.3.1 cannot be implemented due to circumstances outside of the Commission's control, the alternative implementation modality shall be direct management (procurement).

4.4. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	

Specific Objective 1 and 2	1 000 000
Indirect management with UNDP - cf. section 4.3.1	1 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	Will be covered by another Decision (see 5.2)
Totals	1 000 000

4.5. Organisational Set-up and Responsibilities

The Action will be governed by a Steering Committee, which will be co-chaired by MoNRE and the EU. UNDP will constitute the Secretariat of the Steering Committee and report on implementation progress and challenges for strategic direction by the Steering Committee. The members of the Steering Committee will comprise of MoNRE, MOIT, MPI and MOF as well as other Government entities as relevant. All donors that support UNDP as Support Agency will also be members. All other IPG members will be invited to attend as observers.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agency contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: The implementing partner will be fully responsible for data collection, analysis and monitoring.

5.2. Evaluation

Having regard to the importance of the action, a small-scale final evaluation may be carried out for this action or its components through a joint mission contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that there is uncertainty about progress of JETP implementation and the related work of the JETP secretariat, and consequently about the need for and kind of future secretariat support beyond this action.

The Commission shall inform the implementing partner at least 2 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

ⁱ Scheme for the Implementation of the Political Declaration on Establishing the Just Energy Transition Partnership.