



Project Summary Information

Date of Document Preparation/Updated: 04/15/26	
Project Name	Green Growth and Just Energy Transition
Project Number	P001100
AIIB member	Viet Nam
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure; Climate Finance
Status of Financing	Under Preparation
Objective	The Program will enhance the Government of Viet Nam's efforts to achieve its climate goals by enhancing Viet Nam's policy, regulatory, and financing frameworks to accelerate the transition toward a low-carbon, climate-resilient, and socially inclusive development pathway, in line with Viet Nam's NDC and net-zero emissions target by 2050 in the areas of energy transition and green growth.
Project Description	<p>Viet Nam is among the countries most exposed to climate-related risks globally, due to its long coastline, low-lying river deltas, dense population centers, and climate-sensitive growth model. Rising temperatures, sea-level rise, and increasingly frequent and intense typhoons, floods, droughts, and heatwaves are already disrupting economic activity and threatening infrastructure assets.</p> <p>The Program, co-financed with KfW, will help overcome key climate mitigation and adaption constraints by prioritizing three primary reform areas:</p> <p>Pillar 1: Develop and establish financial and investment incentives and mechanism for Green Transformation and Green Growth.</p> <p>Reforms under this pillar focus on implementing regulations and incentives for the initiation of a domestic carbon market, the adoption of electric vehicles, and the development of a green taxonomy.</p>

	<p>Pillar 2: Implement favorable investment policies for the Just Energy Transition.</p> <p>Reforms under this pillar focus on addressing regulatory obstacles to facilitate private investment in renewable energy, energy efficiency, and breakthrough technologies such as offshore wind and pump storage through mechanisms like direct power purchase agreements and streamlined approval processes.</p> <p>Pillar 3: Improve the financing framework for the Just Energy Transition.</p> <p>Reforms under this pillar focus on enhancing public financing options through improved access to official development assistance and concessional funding for just energy transition projects, thereby ensuring energy security and affordability.</p> <p>Collectively, these three pillars reinforce Viet Nam’s NDC implementation, Viet Nam’s Green growth strategy and operationalize the long-term vision of the National Climate Change Strategy to 2050.</p>
Expected Results	Expected results include an absolute cap on emissions from large single-point sources; reduced emissions and reliance on imported fossil fuels; increased domestic and international capital investment in green infrastructure; expanded household installation of rooftop solar PV systems; and reduced lead times for investments in sustainable energy projects.
Environmental and Social Category	Not applicable
Environmental and Social Information	<p>Applicable Policy and Environmental and Social Instruments. AIIB’s Environmental and Social Framework (ESF, June 2024) establishes provisions related to CPBF set forth in Section 16 of the Environmental and Social Policy (ESP) are applicable to this Program. Therefore, the provisions on Environmental and Social (ES) categorization in the ESP do not apply to this Program. The Program focuses on policy and institutional reforms that do not entail involuntary resettlement or impact the lives of Indigenous Peoples. However, some downstream investment activities resulting from specific policy actions under the Program may lead to indirect, short-term, and temporary adverse impacts. In accordance with the Bank’s ESP, the initial ES Assessment (ESA) has been conducted, and the ES Assessment Matrix be prepared to address such ES risks and impacts, and that will be timely disclosed on the Bank’s website.</p> <p>Environmental and Social Aspects. The Program presents a transformative pathway for sustainable development, with substantial potential benefits as well as certain environmental and social risks. On the positive side, it establishes a strategic framework for climate mitigation that incentivizes GHG reductions through national carbon markets, international credit exchanges, and cleaner technologies. It promotes low-carbon transport and industrial pollution reduction, which can improve public health and urban environmental outcomes, while also stimulating green finance to support sustainable economic growth and green job creation. At the same time, several risks may arise. These include localized environmental degradation</p>

	<p>and biodiversity impacts from downstream investments and large-scale renewable infrastructure if environmental screening and oversight are insufficient; the accumulation of hazardous e-waste from end-of-life batteries and solar panels if not properly managed; labor displacement in carbon-intensive sectors if transition and reskilling programs are inadequate; potential increases in economic inequality if green incentives disproportionately benefit large firms and higher-income households; and community conflicts, land-use pressures, and livelihood disruptions associated with large infrastructure projects if stakeholder consultations are inadequately managed. In addition, energy transition may also generate gender-related risks that could exacerbate existing inequalities. The ES Matrix will provide details on direct and indirect ES effects associated with each Prior Action. These effects, together with the proposed mitigation and enhancement measures will be consulted with relevant stakeholders and finalized in the final stage of the Program.</p> <p>Program Grievance Redress Mechanism (GRM) and Monitoring Arrangement. Individuals and communities who believe they are adversely affected by the Program may submit complaints to the responsible government authorities and the appropriate local/national grievance mechanisms. The Ministry of Finance (MoF), as the lead coordinating and implementing agency for the Program, will report to AIIB and KfW on the progress of the Program implementation. KfW and AIIB will jointly conduct Program monitoring periodically to ensure that the policy actions continue to be put in place without reversal and further strengthen their link to infrastructure development. The Program monitoring of the ES performance is an integral part of the monitoring missions to ensure compliance with its policy requirements and prompt resolution of any emerging issues.</p>		
Cost and Financing Plan	USD 300 million		
Borrower/Investee Company/Counter party/Guaranteed entity	Socialist Republic of Viet Nam		
Implementing Entity/Sponsor	Ministry of Finance, Viet Nam		
Estimated date of loan closing (SBF)	December 2028		
Contact Points:	AIIB	KfW	Borrower / Implementation Organization
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Date of Concept Decision	April 15, 2026		
Estimated Date of Appraisal Decision	June 3, 2026		
Estimated Date of Financing Approval	Q3 2026		

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit insert link to the PPM web page: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</p>
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