



ENERGY
TRANSITION
PARTNERSHIP

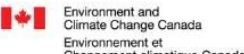
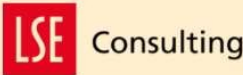


REPORT

FINAL REPORT AND IMPLEMENTATION ROADMAP

DECEMBER - 2025

Prepared by:



Disclaimer

This Report is prepared jointly by Vietnam & Global Social Economies Institute (VGSEI), LSE Consulting, Development and Policies Research Centre (DEPOCEN), and Energy and Environmental Investment Consulting Company (E3). While every effort has been made to ensure the accuracy and completeness of the information presented, the authors and contributors make no representations or warranties, express or implied, regarding its accuracy, reliability, or completeness. The contents of this report are based on data, analysis, and best practices available at the time of writing, covering the period from October 2025 to December 2025.

However, new developments and changes in circumstances may affect the validity of certain findings or recommendations. The views and opinions expressed in this report are those of the authors and do not necessarily reflect the official policy or position of the Southeast Asia Energy Transition Partnership (ETP), UNOPS, the Ministry of Finance, or any other entities referenced in this report. The authors and contributors accept no responsibility for any direct, indirect, or consequential losses or damages resulting from the use of or reliance on the information contained herein.

Acknowledgment

We would like to express our sincere gratitude to the Southeast Asia Energy Transition Partnership (ETP) UNOPS, and the Ministry of Finance (MOF) for their invaluable and continuous support.

We also extend our thanks to all stakeholders, experts, and contributors whose insights and feedback have greatly enriched this report. Particularly, this report has incorporated insights and discussions from the consultation workshops and field surveys held in Hanoi, Long An, Quang Ninh, Ninh Thuan, Quang Binh, and Can Tho provinces.

EXECUTIVE SUMMARY

Vietnam’s ability to meet its energy security needs and deliver on its net-zero commitment by 2050 now depends on how quickly it can mobilise large volumes of private capital on sustainable terms. Adjusted Power Development Plan VIII (PDP VIII) estimates that generation and transmission will require about USD 136.3 billion in investment in 2026–2030, equal to roughly one third of GDP, with 56 percent earmarked for sustainable energy. State-owned enterprises and public budgets are expected to contribute only about 31 percent of this total, leaving a financing gap of more than USD 90 billion that must be filled mainly by private and foreign investors.

Recognising this challenge, ETP–UNOPS and the Ministry of Finance’s Department of Finance and Economics launched the joint initiative **“Facilitating Private Sector’s Access to and Engagement in Vietnam’s Energy Sector.”** This programme supports the implementation of Politburo Resolution 55-NQ/TW on the Orientation of Vietnam’s National Energy Development Strategy to 2030, with a Vision to 2045 and the Ministry of Planning and Investment (now Ministry of Finance)’s mandates to diversify investment models, scale up private-sector participation in power generation and grid infrastructure and accelerate the application of PPPs and innovative financing mechanisms, as further highlighted in the Resolution 140/NQ-CP providing the implementation plan for the Resolution 55-NQ/TW.

This Final Report is the programme’s last output. Drawing on the seven preceding deliverables, extensive consultation workshops and field surveys in Long An, Quang Ninh, Ninh Thuan, Can Tho, and Quang Tri provinces, along with bilateral meetings with ministries, and dedicated private-sector surveys with 30 domestic and foreign investors, the report synthesises international experience and presents a comprehensive diagnostic of Vietnam’s current policy, legal and financial frameworks for private-capital mobilisation in the energy sector. It proposes a suite of financial structures, PPP and blended-finance models and legislative reforms aligned with PDP VIII, the National Green Growth Strategy, Resolutions 68-NQ/TW on Private Economic Development, and Resolution 70-NQ/TW on Ensuring National Energy Security to 2030, with a Vision to 2045. The report sets out a sequenced package of actionable measures for the Ministry of Finance to strengthen private participation in clean-energy investment and advance Vietnam’s long-term transition objectives, with particular emphasis on enhancing the PPP framework and expanding innovative financing mechanisms under MOF’s mandate.

VIETNAM’S FINANCING CHALLENGE AND BINDING CONSTRAINTS ON PRIVATE CAPITAL

Over the past decade Vietnam has shifted from a predominantly public-investment model to a more market-oriented structure in which domestic private capital and FDI finance 80–85 percent of new power generation capacity. The feed-in tariff regime between 2017 and 2021

showed that when contracts, risk allocation and revenue certainty reach international standards, private investment can deliver more than 25 GW of new renewable capacity in only four years. The sharp slowdown since 2021 reflects structural constraints rather than waning investor appetite. Pricing vacuums after FIT expiry, fragmented regulations, weak PPAs, limited risk sharing and a shallow domestic capital market now constrain bankability, particularly for grid, storage, offshore wind and utility-scale renewables. This gap is notable given that PPP is formally identified in the PPP Law 2020 (Law No. 64/2020/QH14), Resolution 55-NQ/TW, and Power Development Plan VIII as a key mechanism for mobilising private investment and delivering energy infrastructure critical to Viet Nam's long-term energy transition and green growth objectives.

Nineteen BOT power projects with about 27,000 MW of capacity were largely developed before the PPP Law was issued, under earlier BOT/IPP arrangements and with investment concentrated mainly in coal.

Against this legacy baseline, no new clean-energy PPPs have reached signing under the current PPP Law framework and all existing projects are transitional. The inherited coal BOT portfolio now faces tightening climate policies and rising ESG scrutiny, increasing the risk of stranded assets. At the same time, the PPP framework has not yet been fully adapted to renewable energy, grid modernisation and storage, nor fully aligned with the rapidly maturing energy-transition and green-finance architecture. Recent reforms have started to improve enabling conditions, including Law No. 57/2024/QH15 (effective 15 January 2025) amending provisions across planning, investment, PPP, and tendering to streamline project preparation and procurement, and Law No. 90/2025/QH15 (effective 1 July 2025) further updating key rules across tendering and investment to reduce implementation frictions. In parallel, Decision No. 21/2025/QĐ-TTg (effective 22 August 2025) operationalises Viet Nam's National Green Taxonomy by setting environmental criteria and a verification pathway for projects to access green credit and green bonds, while Resolution No. 70-NQ/TW (dated 20 August 2025) reinforces high-level direction on national energy security and sector reform consistent with the energy-transition agenda.

The report identifies three interrelated sets of structural factors that continue to influence project bankability and the mobilisation of long-term private capital. First, legal, institutional and contractual challenges arise from the interaction of provisions across the PPP Law, Electricity Law, Investment Law, Land Law and Environmental Protection Law, which can result in procedural complexity, overlapping responsibilities, and areas where mandates and risk-management arrangements would benefit from further clarification. PPP processes remain relatively time-consuming, and existing PPA structures provide limited certainty on take-or-pay

obligations, payment security, and compensation mechanisms, which may leave investors exposed to curtailment and counterparty-related risks..

INTERNATIONAL LESSONS AND STRATEGIC REFORM PRIORITIES FOR MOF

Against this backdrop, international experience provides clear lessons. Leading emerging markets that have deployed many gigawatts of renewables while upgrading their grids have used three complementary channels: market-based private investment instruments such as biddings and green bonds, classic project-finance structures involving domestic and international lenders and targeted PPP models for strategic infrastructure such as transmission, large-scale storage and offshore grid connection. In India, Chile, Brazil, South Africa, Morocco, Indonesia and others, PPPs for backbone grid and storage assets have been central rather than peripheral. They have provided availability or capacity payments, indexed tariffs, credible guarantee and risk-sharing schemes and a single creditworthy public counterparty, which together reduced the cost of capital by 150–300 basis points and extended tenors to 20–30 years. The bulk of emerging-market green bonds and sustainability-linked loans issued since 2023 has flowed to projects with PPP-like revenue structures, confirming that climate finance follows credible PPP signals.

The report concludes that Vietnam is already moving toward this hybrid model. The 2020 Investment Law¹ pathway offers a fast and flexible route for generation investment. Recent PPP amendments, including higher State-capital ceilings for strategic projects, availability-payment mechanisms and more flexible investor-initiated proposals, create a framework for PPPs in transmission, storage and offshore wind. The central question for the next five years is whether the PPP and green-finance pillars can be made predictable and internationally bankable quickly enough to mobilise the private investment required by 2030.

To that end, the report proposes a coherent and fiscally disciplined package of reforms centred on four pillars where MOF plays a leading role.

Pillar 1 – Modernising the PPP Framework and Risk Allocation

This includes harmonising the PPP Law with the Investment, Bidding, Electricity and Land Laws, revising Decree 28/2021/ND-CP on Financial Management Mechanism of Public-Private Partnership (PPP) Projects to reflect the new ceiling of up to 70 percent State-capital contributions for high-risk strategic projects, expanding Article 82 so that revenue-risk sharing covers defined market risks such as curtailment and demand volatility, increasing FX-guarantee ceilings for priority clean-energy PPPs, piloting availability-payment BLT and DBLT

¹ The National Assembly approved amendments to the Investment Law on 11 December 2025. The amendments further streamline investment procedures, clarify the treatment of strategic and priority sectors, strengthen coordination with tendering legislation, and are expected to improve legal certainty for large-scale infrastructure projects.

models for transmission and developing sector-specific PPP contract templates for offshore wind, BESS and grid projects.

Pillar 2 – Enabling Transmission and Storage Investment Through PPP and Blended Finance

The second pillar is enabling transmission and storage investment through PPP and blended-finance solutions that are compatible with fiscal-sustainability constraints. The report recommends that MOF work with MOIT and EVN to design availability-based payment schemes for 220–500 kV lines and substations, develop cost-reflective remuneration frameworks for BESS and pumped-storage hydropower that separate fixed capacity and operating components and consider central support mechanisms for land clearance in national-priority grid projects. Early transmission and storage PPPs should combine State contributions with concessional and climate-finance windows to lower the overall cost of capital and establish replicable models.

Pillar 3 – Building a Credible Green-Finance Ecosystem Anchored in a Quantitative National Green Taxonomy

The third pillar is building a credible green-finance ecosystem anchored in a quantitative National Green Taxonomy. The report proposes that MOF, in coordination with the State Bank of Vietnam, and relevant ministries, move from qualitative to quantitative screening criteria aligned with international benchmarks, integrate taxonomy criteria into sovereign, municipal and corporate green-bond regulations and strengthen requirements for external verification, impact reporting and disclosure. Targeted tax incentives and fee reductions for taxonomy-aligned green instruments, combined with credit-enhancement facilities, can deepen domestic green-capital markets, extend tenors to 10–20 years and support the shift away from short-term bank financing. At the same time, MOF should refine government guarantee and on-lending frameworks, scale up carefully targeted viability gap funding and support development of FX-hedging and curtailment-compensation mechanisms that convert technical risks into manageable financial risks.

Pillar 4 – Institutional Coordination, Capacity and Data

The fourth pillar is institutional coordination, capacity and data. As the ministry responsible for public finance, capital markets, guarantees and PPP financial regulations, MOF is well placed to act as the central architect of the energy-transition financing framework. The report recommends strengthening MOF's internal PPP and green-finance functions, enhancing coordination with MOIT, SBV and provincial authorities through permanent working groups and upgrading systems such as the Vietnam National Electronic Procurement System to include PPP modules that allow real-time monitoring of project pipelines, risk exposures and fiscal commitments. Improved data on green-classified projects, guarantees and contingent liabilities, combined with clear communication of a medium-term green fiscal and financing strategy, will help anchor investor expectations and credit-rating assessments.

PHASED IMPLEMENTATION ROADMAP

These reform directions are translated into a phased implementation roadmap. In the short term, priority actions focus on revising Decree 28/2021/ND-CP and related PPP decrees (including Decree 35/2021/ND-CP as amended by Decree 71/2025/ND-CP), issuing model contracts for renewable energy and transmission, defining BESS and pumped-storage pricing frameworks and quantifying the Green Taxonomy. Over the medium term, reforms would extend revenue-risk sharing to market risks, strengthen FX protection, roll out pilot transmission PPPs, introduce tax incentives and credit-enhancement tools for green bonds and standardise financial metrics such as IRR, NPV and benefit-cost ratios in project appraisal. In the longer term, the objective is a mature, competitive power market where PPPs and green-finance instruments anchor a diversified mix of public, private and blended capital and where Vietnam can rely less on direct sovereign guarantees while maintaining fiscal discipline.

The report closes by highlighting areas where further quantitative work is needed to support detailed policy design, including FX-risk and tenor mismatch modelling, curtailment-compensation design, quantitative Green Taxonomy thresholds and fiscal-impact assessment of PPP and BLT structures for transmission and storage. Timely and disciplined implementation of the proposed measures would allow Vietnam to meet PDP VIII capacity and renewable targets, maintain reliable and affordable electricity for high-quality growth and consolidate its position as a regional leader in clean-energy investment. For the Ministry of Finance, the agenda laid out in this report offers a practical pathway to use public resources more strategically, manage risks transparently and unlock the private capital needed to drive a just and sustainable energy transition.

Looking ahead, the report is intended to serve as a practical reference for the next phase of implementation, helping to translate recent legal reforms and policy commitments into a bankable project pipeline. Its findings can inform the prioritisation and sequencing of PPP pilots in transmission, storage, and offshore wind, the design of risk-sharing and payment mechanisms under MOF's mandate, and the integration of green-finance tools into medium-term fiscal and capital-market strategies. As Viet Nam moves toward the 2030 PDP VIII milestones, continued analytical work, clean energy infrastructure PPP pilots, inter-ministerial coordination, and targeted technical assistance will be essential to operationalise these recommendations, build investor confidence, and progressively scale private capital mobilisation in support of the country's long-term energy transition and net-zero objectives.

