south to south JUST TRANSITIONS

CLIMATE Strategies

Policy Brief

Vietnam's Energy Shift as Catalyst for a Just Transition

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Executive Summary

Vietnam's Just Energy Transition (JET) aims to achieve net-zero greenhouse gas emissions by 2050 ensuring that the transition is socially equitable, inclusive, and economically sustainable. Core priorities include reducing dependence on coal, expanding renewable energy to approximately 47% of electricity generation by 2030, improving energy efficiency, and protecting workers and communities affected by structural change. These objectives are guided by key national frameworks including the National Climate Change Strategy (Government Decision 896/QĐ-TTg, 2022), the Revised Power Development Plan VIII (PDP8) (Government's Decision No. 768/QĐ-TTg, 2025) and reinforced by the Just Energy Transition Partnership (JETP) launched in 2023 (Government's Decision 1009/QĐ-TTg, 2023), which aligns decarbonization efforts with social protection, gender equality, and regional economic diversification.

Vietnam has made notable early progress through rapid deployment of solar and wind power, strengthened coordination among key ministries, and pilot initiatives supporting worker retraining and local economic diversification in coal-dependent regions. The JETP's USD 15.5 billion commitment from international partners provides a critical platform for scaling renewable energy investments, modernizing the power grid, and strengthening institutional and technical capacity.
However, the transition continues to face significant challenges. These include limited access to concessional and long-term finance, uneven institutional capacity to integrate Just Transition principles across sectors, and insufficient participation of local communities and vulnerable groups in decision-making processes.
Additional constraints stem from policy fragmentation, data gaps, and technical bottlenecks related to renewable integration and grid modernization.
This policy brief identifies key findings and proposes actionable recommendations to strengthen Vietnam's Just Energy Transition in a manner that is both effective and equitable.

Key Findings

- Strong Policy Commitment but Fragmented Governance: Vietnam has embedded Just Transition principles into major national strategies, yet lacks a dedicated national framework or coordinating body to translate commitments into coherent, cross-sectoral implementation.
- Rapid Energy Transition Progress, Limited Social Integration: Renewable energy deployment has advanced quickly, but workforce transition planning, reskilling systems, and social protection mechanisms remain underdeveloped relative to the scale of structural change required.
- JETP as a Catalytic but Incomplete Mechanism: The JETP has mobilised significant finance and political momentum, but funding remains skewed toward infrastructure and technology, with insufficient emphasis on social protection, skills development, and community resilience.
- Regional Disparities Pose Implementation Risks: Coal-dependent provinces such as Quang Ninh and Thai Nguyen face higher socio-economic risks,

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while local governments often lack the capacity and resources to design and implement tailored Just Transition plans.
- Data, Financing, and Institutional Capacity Gaps Persist: Weak labour market data, limited experience with social-impact financing, and dependence on imported technologies constrain effective planning, monitoring, and execution of Just Transition measures.

Key Recommendations

For the Government of Vietnam
- Establish a National Just Transition Governance Framework: Create a National Just Transition Commission or inter-ministerial mechanism to coordinate energy, labour, and social policies across sectors and regions, with clear mandates and accountability.
- Develop Sectoral and Regional Just Transition Roadmaps: Prioritise coal-dependent regions and high-emission sectors by integrating energy diversification, workforce transition, social protection, and local economic development into tailored roadmaps.
- Strengthen Workforce Transition and Social Protection Systems: Scale up retraining, reskilling, and vocational education programs aligned with green industries, while adapting social safety nets to address transitional unemployment and income loss.
- Improve Data, Monitoring, and Transparency: Establish a national Just Transition data platform to track employment impacts, skills needs, and socio-economic outcomes, supporting evidence-based and inclusive policy decisions.

For International Partners and Multilateral Institutions
- Expand Climate Finance to Fully Integrate Social Dimensions: Ensure that international climate finance mechanisms explicitly fund worker reskilling, social protection, and community resilience—potentially through a dedicated Just Transition financing window.
- Strengthen Technical Assistance and Capacity Building: Support Vietnam in policy design, labour market modelling, gender analysis, and participatory governance through coordinated UN and MDB programs.
- Enhance and Deepen the JETP Model: Broaden JETP support beyond energy infrastructure to include social transition funds, blended finance for community-level projects, and incentives for private sector engagement in green jobs.

To ensure a credible and inclusive transition, Vietnam requires sustained support to accelerate coal phase-out while strengthening workforce transition planning, enhance institutional coordination and social capacity at both national and subnational levels, and expand concessional and blended finance mechanisms that address social protection, skills development, and community resilience, not only clean energy investments. With coordinated domestic reforms and continued international partnership, Vietnam's JET has the potential to emerge as a strong model for equitable decarbonisation in emerging economies.

Introduction

Vietnam understands a Just Transition (JT) as the process of shifting toward a low-carbon and climate-resilient economy in a manner that ensures social equity, decent work, and the protection of vulnerable communities. The concept emphasises that the move away from fossil fuels and high-emission industries must not come at the cost of livelihoods or social stability. Instead, it should create new opportunities for sustainable employment, green skills development, and inclusive growth. Vietnam's approach aligns with international principles promoted by the International Labour Organization (ILO) (International Labour Organization, 2016) and the Paris Agreement (United Nations Climate Change, 2015), integrating social justice into environmental and economic reforms.

Achieving a Just Transition is critical for Vietnam due to its dual challenges of sustaining rapid economic growth and addressing the severe impacts of climate change, particularly in sectors such as energy, agriculture, and manufacturing. Ensuring a fair transition helps prevent job losses, reduce regional inequalities, and strengthen public support for decarbonization policies. It also supports the country's commitment to achieving net-zero emissions by 2050 under its updated Nationally Determined Contribution (NDC) (Vietnam NDC, 2022), National Energy Development Strategy (Government's Decision 215/QĐ-TTg, 2024), and Hydrogen Energy Development Strategy (Government's Decision 165/QD-TTg, 2024).

Currently, Just Transition measures are being actively implemented in the energy sector, especially in coal-dependent regions like Quang Ninh and Thai Nguyen, through initiatives that promote renewable energy development, worker retraining, and community resilience (Thi Mai Anh Nguyen, at al., 2025). There are also pilot programs in agriculture aimed at climate-smart farming and sustainable livelihoods. Meanwhile, Just Transition strategies are being actively planned for industrial manufacturing, transport, and urban development, focusing on greening supply chains, promoting energy efficiency, and ensuring social protection for affected workers. Together, these efforts reflect Vietnam's growing commitment to embedding social inclusion at the heart of its green transformation.

Vietnam's Just Energy Transition Goals

Vietnam's Just Transition goals centre on ensuring that the country's shift toward a low-carbon, climate-resilient economy is both environmentally sustainable and socially inclusive. The overarching aim is to balance decarbonization and economic modernization with the protection of workers, communities, and vulnerable populations. Vietnam's JT vision is anchored in its commitment to achieve net-zero greenhouse gas emissions by 2050, as pledged in its NDC under the Paris Agreement, while fostering green growth, decent work, and social justice. The country views the Just Transition not only as a climate imperative but also as a pathway to restructure its economy toward higher productivity, innovation, and energy independence. Specific goals are presented in Table 1.

Table 1. Vietnam's main just energy transition goals

Emissions Reduction	Accelerate peak greenhouse gas emissions: Vietnam pledges to bring forward the projected peak year of total greenhouse gas (GHG) emissions from 2035 to 2030.
	Reduce power sector emissions: Vietnam aims to reduce the power sector's peak emissions from a previously planned 240 million tons of CO2e (MtCO2e) by 2035 to no more than 170 MtCO2e by 2030.
Energy Mix Transformation	Cap coal power capacity: Vietnam's peak coal-fired generation capacity is to be limited to approximately 30.2 gigawatts (GW) by 2030, down from earlier planning figures near 37 GW.
	Expand renewable energy share: The share of renewable energy (including wind, solar, and hydro) in Vietnam's power generation is targeted to reach at least 47% by 2030, compared to previously planned shares around 36%.
Financing and Investment	Mobilise US$15.5 billion for transition: An initial US$15.5 billion of financing, split between public and private sources is to support Vietnam's transition to a low-carbon energy system. Public finance from IPG members is expected to be on more favourable terms, while private finance will be supported through institutions coordinated by the Glasgow Financial Alliance for Net Zero (GFANZ).
	Legal & regulatory frameworks: Strengthen legal and policy frameworks to facilitate investment, grid enhancement, and mainstream clean energy deployment, critical enablers for reaching the transition goals.
Broader Just Transition Considerations	While the principal targets focus on emissions and energy systems, the "just" dimension underscores equity, workforce transition, and social inclusion, including education, vocational training, and reskilling efforts for workers affected by the transition.

Source: Government's Decision 1009/QĐ-TTg (2023), Government's Decision No. 768/QĐ-TTg (2025).

Vietnam's Efforts in Just Transition to Date

Vietnam's journey toward a Just Transition has unfolded progressively, moving from early recognition of socio-economic risks associated with decarbonisation to the establishment of policy, institutional, and financial mechanisms aimed at ensuring an inclusive and equitable green transformation.

Early recognition of social and structural challenges (pre-2021): In the early stage of its Just Transition journey, Vietnam increasingly recognised structural vulnerabilities in its development model, including heavy dependence on coal, risks to workers in carbon-intensive sectors, and regional economic disparities. Although climate and energy policies were already in place, assessments by government and international organisations revealed limited attention to social impacts such as employment, reskilling, and social protection. This early diagnostic phase provided the basis for integrating Just Transition principles into future national strategies.

Integration into national strategies and participatory policy planning (2021–2022): From 2021, Vietnam began mainstreaming Just Transition principles into key national strategies, notably the National Climate Change Strategy (2021–2050) and the National Green Growth Strategy (2021–2030, Vision 2050), which emphasise fairness, inclusion, and sustainable livelihoods. The development of the Power Development Plan VIII (PDP8) set out a pathway to reduce coal reliance while expanding renewable energy and addressing impacts on workers and communities. Parallel stakeholder consultations with trade unions, industry, civil society, and development partners reinforced a shared understanding of Just Transition as a broad socio-economic transformation rather than a purely environmental agenda.

Formalisation of Just Transition through international commitment (December 2022): A major milestone was reached in December 2022, when Vietnam

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formally joined the Just Energy Transition Partnership (JETP). By signing the JETP Political Declaration with the International Partners Group (IPG) including the EU, UK, Japan, Canada, and Norway, Vietnam committed to accelerating its energy transition in a manner that explicitly integrates social inclusion, job creation, skills development, and policy reform. This marked the first time Just Transition principles were formally articulated within an international framework directly linked to Vietnam's energy transition agenda.

Translation of commitments into strategic and institutional frameworks (2023–2024): After the JETP declaration, Vietnam moved to operationalize its commitments through implementation-oriented frameworks, most notably the JETP Resource Mobilisation Plan (RMP). The RMP defines priority areas including regulatory reform, renewable energy and grid development, workforce transition, and social inclusion. In parallel, Vietnam strengthened coordination with the International Partners Group (IPG) and the Glasgow Financial Alliance for Net Zero (GFANZ) to align technical assistance, financing, and policy support with national energy planning, particularly PDP8, marking a clear shift from political commitment to structured implementation.

Institutionalisation, policy alignment, and transparency (2024–2025): To strengthen governance and cross-sector coordination, Vietnam advanced the institutionalisation of Just Transition mechanisms through enhanced multi-ministerial cooperation among the Ministry of Agriculture and Environment (MOAE), the Ministry of Industry and Trade (MOIT), and the Ministry of Home Affairs (MOHA), aligning climate, energy, and labour policies. In 2025, the launch of the official JETP online portal improved transparency and stakeholder coordination by centralizing information on action plans, project pipelines, and policy developments. At the same time, the revised Power Development Plan VIII (May 2025) further integrated decarbonisation and social considerations, providing a clearer regulatory basis for prioritizing JETP-aligned projects and advancing Just Transition implementation.

Financing mobilisation and project-level implementation (2024–Present): With governance and policy frameworks in place, Vietnam has begun translating JETP commitments into concrete action. More than US$7 billion has been aligned with JETP-related initiatives through cooperation with international partners, development finance institutions, and private investors. At the same time, Vietnam has advanced a pipeline of JETP-aligned projects particularly in renewable energy integration and grid modernisation with several projects moving toward financing and approval, signalling early but tangible implementation progress.

Ongoing stakeholder engagement and international cooperation: Stakeholder engagement and capacity building remain integral to Vietnam's Just Transition efforts. Ongoing consultations with international organisations (e.g. UNDP), government agencies, industry actors, and technical experts help refine JETP action plans, prioritise projects, and address implementation challenges. At the same time, Vietnam's participation in JETP and broader bilateral partnerships with the EU, Japan, Denmark, and Norway strengthens access to finance, technical expertise, and policy support, reinforcing the foundations for an equitable energy transition.

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Challenges and Barriers to Vietnam's Just Energy Transition

Vietnam's commitment to achieving a Just Transition has gained significant policy traction in recent years. However, turning this vision into reality remains complex. The country faces a wide range of challenges, from institutional and financial constraints to structural economic dependencies and global market pressures. These barriers affect both the planning and implementation stages of Just Transition efforts and shape Vietnam's ability to balance its climate goals with its development priorities.

a. Challenges Related to Planning a Just Transition

Institutional and planning fragmentation: Planning a Just Transition involves reconciling ambitious environmental targets with the country's socio-economic realities. One of Vietnam's main planning challenges lies in the lack of a unified, institutionalized Just Transition framework. Although Vietnam has incorporated JT principles into strategic documents such as the National Climate Change Strategy (2021–2050) and PDP8, there is still no dedicated national law, commission, or master plan that specifically defines JT objectives, roles, and mechanisms across sectors. This fragmentation makes it difficult to coordinate actions between ministries, local authorities, and the private sector.

Limited integration of social and labour dimensions in transition planning: Another key planning challenge is the limited integration of social and labour considerations into energy and climate policy design. While Vietnam has robust

technical roadmaps for renewable energy expansion, less attention has been paid to workforce transition planning such as identifying skill gaps, forecasting job losses in coal and heavy industries, and developing retraining programs for affected workers. The absence of comprehensive labour market data and social dialogue mechanisms limits the ability to plan inclusive transition pathways.

Regional disparities and limited local implementation capacity: At the local level, regional disparities also complicate JT planning. Provinces that depend heavily on coal mining or energy-intensive industries, such as Quang Ninh and Thai Nguyen, face different socio-economic realities than regions focused on agriculture or services. Developing tailored Just Transition plans for each region requires strong local governance capacity and financial resources, both of which remain limited.

Uncertainty in international finance and global frameworks: From an external or global perspective, planning challenges are influenced by uncertainty around international finance and technology transfers. Vietnam's ability to model and plan a realistic JT pathway depends heavily on predictable support from development partners and multilateral funds. While initiatives such as the Just Energy Transition Partnership offer potential funding, negotiations over disbursement timelines, conditionalities, and transparency standards have slowed the planning process. Additionally, the lack of internationally agreed methodologies for measuring social outcomes of Just Transitions creates difficulties in designing evidence-based and globally aligned strategies.

b. Challenges Related to Implementing a Just Transition

Insufficient coordination among institutions and sectors: Once plans are formulated, implementing Just Transition policies presents its own set of obstacles. Domestically, one of the foremost challenges is institutional coordination. Vietnam's transition involves multiple sectors - energy, industry, agriculture, transport and numerous institutions, including state-owned enterprises, provincial authorities, and ministries with overlapping mandates. The absence of a central coordinating body, such as a dedicated JT Commission, results in fragmented decision-making and inconsistent implementation across regions.

Limited availability of finance for implementation: Vietnam's challenge of financing its just energy transition is multifaceted, particularly regarding the social justice dimension. The country is transitioning from coal-dependent energy systems to renewable energy sources, yet the limited financial resources hinder comprehensive implementation.

Specific Financial Constraints: The government faces budgetary limitations and dependence on foreign direct investment (FDI). A significant portion of available funds is directed towards infrastructure development, leaving little for renewable energy initiatives. This restricts the ability to invest in necessary technologies and training programs.

Social Justice Dimension: Vulnerable populations, including low-income communities, rural dwellers, and laborers from the fossil fuel industry, could be disproportionately affected by the transition. The lack of focused finance impacts their ability to adapt to new job markets as fossil fuel jobs decline and renewable sectors grow.

Targeted Groups:

- Low-income households: they might lack access to clean energy due to prohibitive costs associated with renewable technologies or energy efficiency upgrades.
- Workers from coal industries: coal miners and related labuorers may face job losses without adequate retraining programs or transition plans, leading to economic instability in regions heavily reliant on coal.
- Indigenous communities: often marginalised in the planning stages of energy projects, they risk losing their land and traditional practices if renewable energy initiatives do not incorporate their rights and needs.
- Urgency for Focused Investments: to ensure a Just Transition, Vietnam needs targeted investments in:
  - » Skills training for displaced workers to facilitate a smoother transition into renewable energy jobs.
  - » Financial assistance programs for low-income communities to adopt clean energy solutions.
  - » Inclusive policy frameworks that actively involve marginalised groups in decision-making processes regarding energy projects.

In summary, addressing Vietnam's limited finance for energy transition while emphasizing social justice necessitates specific strategies that directly support vulnerable groups. This includes ensuring equitable access to renewable energy, creating job opportunities, and actively involving affected communities in the transition process.

Gaps in workforce transition and stakeholder engagement: On the social front, the implementation of worker transition programs remains limited. There are few large-scale retraining or upskilling initiatives targeting workers in coal, cement, or steel sectors, and existing social protection systems are not fully equipped to address the temporary unemployment that can accompany structural change. Beyond directly affected workers, indirect vulnerable groups—including informal and contract workers in associated supply chains, transport workers, local service providers, women engaged in unpaid or ancillary labor, youth entering carbon-intensive labor markets, and migrant workers dependent on industrial hubs—are likely to experience income instability and reduced livelihood opportunities. Moreover, public awareness and stakeholder engagement around JT remain low, particularly among local communities, trade unions, small enterprises, and marginalised groups with limited voice in decision-making. Without inclusive

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participation, implementation risks being top-down and technocratic, undermining local ownership and long-term sustainability.

External market uncertainties and technological dependence: Vietnam's implementation efforts are also constrained by global market dynamics. Fluctuations in global fuel prices, trade barriers for renewable technologies, and the slow pace of international financial commitments all affect Vietnam's ability to execute its JT plans effectively. The country's heavy dependence on imported technologies and components for renewable energy infrastructure exposes it to global supply chain vulnerabilities and currency fluctuations. Additionally, while Vietnam's manufacturing sector is under pressure from international partners to decarbonise, the lack of affordable low-carbon technologies and market incentives makes compliance challenging.

Best Practices and Lessons Learned from Vietnam's Just Transition

Vietnam's experience with advancing a Just Transition offers valuable lessons for countries seeking to align climate action with social and economic equity. While the country is still in the early stages of implementing its JT agenda, several elements of its planning and coordination have proven effective, demonstrating how an emerging economy can pursue ambitious decarbonisation goals without neglecting social inclusion.

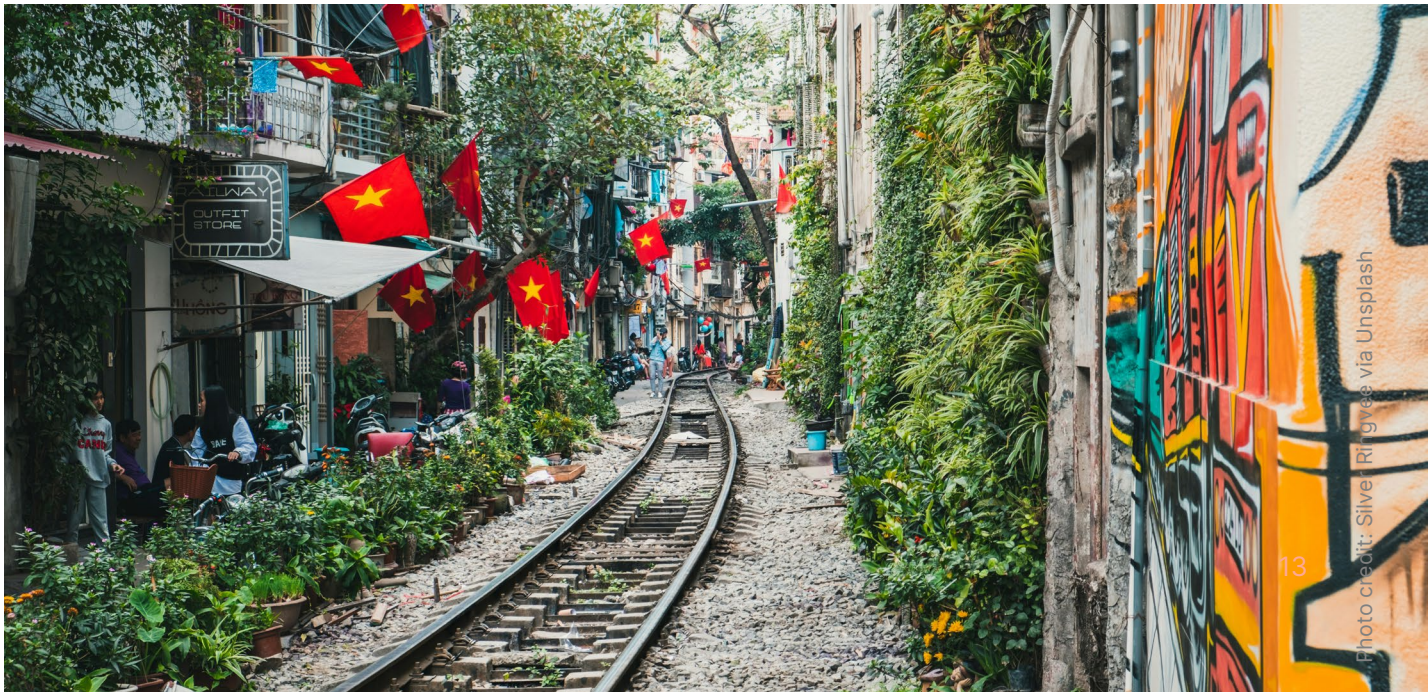
- Aligning climate ambition with social inclusion. Vietnam's approach highlights the importance of embedding justice considerations early in the transition process rather than treating them as a secondary or corrective measure.
- Mainstreaming Just Transition principles into national development frameworks. One of the most notable successes in Vietnam's JT process is the integration of Just Transition principles into core national policy frameworks that explicitly link energy transition objectives with social and labour considerations. Thus, enhancing policy coherence and ensuring that decarbonisation efforts are pursued alongside, rather than separate from, social realities.
- Embedding inclusive and participatory planning processes. Another best practice in Vietnam's Just Transition process is its participatory and consultative approach to policy design and JT-initiatives development. This inclusive planning process has enhanced policy legitimacy and strengthened trust among affected communities. Moreover, pilot initiatives such as worker retraining programs in coal-dependent provinces like Quang Ninh have generated practical lessons on integrating social protection measures and local economic diversification into national transition strategies. (JETP, 2025)
- Mobilising international cooperation and blended finance. Vietnam has demonstrated innovation in mobilizing international support to advance its Just Transition objectives through the JETP. Under this framework, Vietnam combines international concessional finance with domestic policy reforms to accelerate coal phase-down, scale up renewable energy, and invest in social measures such as skills development and community resilience. This blended

finance approach effectively links global climate commitments with local socio-economic outcomes and positions Vietnam as a regional leader in operationalising the Just Transition through international collaboration.
Vietnam has made notable progress in its Just Energy Transition compared to South Africa in several area:

- » Clear national ownership and alignment: Vietnam integrated the JETP into existing national power and development plans, ensuring projects matched domestic priorities, whereas South Africa struggled with misalignment between national plans, stakeholders, and JETP objectives.
- » Strong central coordination: Vietnam's centralized governance enabled faster decision-making and implementation, while South Africa faced delays due to fragmented institutions and complex political negotiations.
- » Investment-ready project pipeline: Vietnam entered the JETP with bankable renewable and grid projects, allowing finance to flow quickly; South Africa lacked a comparable pipeline ready for immediate rollout.
- » Economic and energy security framing: Vietnam presented the JETP as a growth, competitiveness, and energy security strategy, not only a climate initiative, building domestic support more effectively than in South Africa.
- » Lower social transition complexity: Vietnam's coal sector employs fewer workers and is more state-controlled, making the transition easier to manage than South Africa's coal-dependent regions and labour-intensive mining sector

- Strengthening cross-ministerial coordination. From a governance perspective, Vietnam's multi-ministerial coordination mechanisms have emerged as an important good practice in advancing the Just Transition. Close collaboration among key Ministries has enabled a cross-sectoral approach to planning and policy alignment. Although these arrangements are still evolving, they help ensure that energy transition, employment, and social protection policies are interconnected rather than pursued in isolation, which is essential for effective Just Transition governance.

Given that Just Transition is a governance and social process, not only a technological shift, ultimately, Vietnam's emerging JT model demonstrates that a successful transition extends beyond the phase-out of carbon-intensive industries. It requires strong institutions, inclusive governance, social trust, and equitable participation in the green economy. While still evolving, Vietnam's experience provides a compelling reference for countries seeking to pursue low-carbon development pathways that leave no one behind.



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Gaps and Opportunities for International Support to Vietnam's Just Transition

Vietnam's pathway toward a Just Transition has made substantial progress through national planning, strategic frameworks, and international collaboration. Yet, significant gaps remain in financing, institutional capacity, data systems, and the integration of social dimensions into climate policy. To achieve its goal of net-zero emissions by 2050 while protecting vulnerable workers and communities, Vietnam requires targeted international support that extends beyond conventional aid and project-based funding. Global cooperation under frameworks such as the UNFCCC, multilateral development banks (MDBs), and bilateral partnerships can play a catalytic role in closing these gaps and accelerating Vietnam's transition.

Areas Where International Support Can Strengthen Vietnam's Just Transition

- Strengthening Policy and Institutional Frameworks: Vietnam's current JT initiatives are embedded in various national strategies but lack a cohesive institutional framework to coordinate implementation across sectors. International partners can assist by supporting the establishment of a National Just Transition Commission or inter-ministerial coordination body. Technical assistance could help Vietnam to develop clear mandates, monitoring tools, and accountability frameworks that ensure coherent action among MOAE, MOIT, and MOHA. Additionally, support is needed to mainstream JT into national legislation, ensuring that social equity and labour protection are formally recognised in climate and energy laws.
- Developing Regional and Sectoral Just Transition Roadmaps: International expertise could help Vietnam design sector-specific and regionally tailored JT roadmaps, particularly for coal-dependent provinces such as Quang Ninh and Thai Nguyen, and for key sectors like energy, manufacturing, and transport. These roadmaps should include employment transition plans, economic diversification strategies, and community resilience measures. Support from the International Labour Organisation (ILO) and the United Nations Development Programme (UNDP) could help integrate labour market modelling, gender analysis, and social dialogue into these plans.
- Building Data, Research, and Monitoring Systems: Reliable data on employment, emissions, and social impacts is essential for informed JT planning. International support could help Vietnam establish a national JT data platform to track workforce transitions, reskilling needs, and the socio-economic outcomes of decarbonisation policies. This system could be supported by partnerships with global research institutions and UN agencies to improve methodologies for assessing JT impacts, enabling Vietnam to adopt evidence-based and transparent policy decisions.
- Capacity Building and Skills Development: A crucial component of a successful Just Transition is preparing the workforce for green jobs. International support could focus on developing vocational training programs, curricula for green skills, and technical institutes in renewable energy, sustainable agriculture, and circular economy sectors. Joint programs with organisations like the UNFCCC, ILO, UNESCO, FAO and bilateral partners could develop and provide targeted training for stakeholders affected by the transition.
- Innovative Financing and Investment Mechanisms: While financing is often mentioned broadly, Vietnam's needs are

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highly specific. International partners can help by establishing dedicated Just Transition financing instruments, such as: Social Transition Funds for worker retraining, social protection, and community development.
Green-Social Bonds that channel private investment into local JT projects.
Blended finance facilities to de-risk investments in renewable energy and low-carbon infrastructure.
Additionally, expanding the Just Energy Transition Partnership (JETP) to cover social dimensions not just technology and infrastructure would ensure that international finance addresses both environmental and human needs.

- Enhancing Community Resilience and Local Governance: International support should target capacity building at the provincial and community level, empowering local governments to design and manage JT projects. Partnerships with civil society and local NGOs could enhance community participation, ensuring that marginalised groups such as ethnic minorities, women, and informal workers—benefit from transition programs. The UN system can facilitate participatory governance models that promote inclusivity and transparency.
- Technology Cooperation for Social and Environmental Innovation: Beyond general technology transfer, Vietnam needs cooperation and co-creation of context-specific innovations, including clean coal phase-out technologies, renewable grid integration, and digital systems for energy efficiency. Partnerships that combine technology access with training and job creation would ensure that technological advancement translates into social and economic benefits.

Actionable Recommendations to the UNFCCC and Multilateral Institutions

- Integrate Social Dimensions into Global Climate Finance Mechanisms: The UNFCCC and multilateral development banks should ensure that climate finance explicitly includes social transition components such as worker reskilling, social protection, and community adaptation—within funding eligibility criteria. A dedicated

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Just Transition Financing Window under the Green Climate Fund (GCF) or Global Environment Facility (GEF) could provide tailored grants and concessional loans for countries like Vietnam to address the human dimensions of decarbonisation.

- Support the Creation of a National Just Transition Framework under the UNFCCC Technical Assistance Hub: The UNFCCC could facilitate technical cooperation to help Vietnam develop a comprehensive Just Transition Framework, building on the country's national climate and green growth strategies. This framework should define roles, monitoring indicators, and cross-sectoral linkages, while aligning with international reporting and transparency requirements under the Paris Agreement.
- Foster Multi-Stakeholder Platforms and South–South Cooperation: The UNFCCC, UNDP, and ILO could establish regional Just Transition learning platforms where Vietnam can share and learn from experiences with other Southeast Asian countries undergoing energy transitions. Such collaboration would enhance peer learning, harmonise policy tools, and promote regional green supply chains.
- Mobilise Targeted Technical and Financial Assistance through the JETP: Multilateral institutions, including the World Bank, Asian Development Bank (ADB), and the International Finance Corporation (IFC), should expand the JETP model to directly support JT activities beyond the energy sector such as workforce transition, social inclusion, and green enterprise development. These institutions could help Vietnam design financing mechanisms that link international concessional funds with domestic investment in labour and community programs.
- Enhance Policy Coherence through Joint Programming by UN Agencies: The UN Country Team in Vietnam should develop a joint program on Just Transition, combining expertise from UNDP (policy and governance), ILO (decent work and labour transition), UNEP (green industry), and UN Women (gender equity). This integrated approach would ensure that JT support aligns with the Sustainable Development Goals (SDGs) and national priorities.
- Encourage Private Sector Engagement through Incentives and Partnerships: Multilateral institutions and the UNFCCC should assist Vietnam in designing incentive frameworks—such as tax relief, blended finance, and risk-sharing facilities to attract private sector investment in JT-related projects. Partnerships with multinational corporations could also foster technology transfer and skill development for green industries.
- Promote Accountability and Knowledge Sharing: Finally, the UNFCCC could support the development of a global Just Transition knowledge hub that tracks progress, shares lessons learned and publishes best practices. Vietnam could serve as a pilot case, contributing data and experiences to shape international JT benchmarks.

Given Vietnam's Just Transition challenges and opportunities for international collaboration, targeted support is needed to strengthen institutional coordination, develop region-specific plans, improve data and skills systems, and finance social protection for affected communities. Helping accelerate Vietnam's JT means going beyond traditional climate finance toward a holistic model that integrates economic, social, and environmental justice. Through well-coordinated technical assistance, financial innovation, and global solidarity, Vietnam can become a leading example of how developing economies achieve a fair, inclusive, and sustainable energy and economic transformation.

Conclusions

Vietnam's Just Energy Transition reflects strong ambition and early progress in integrating social equity into decarbonisation through policy reform, coordination, and international partnerships, but persistent institutional, financial, data, and inclusion gaps show it is a long-term socio-economic transformation requiring sustained planning, coordination, and international support.

Moving forward, three urgent next steps stand out. First, Vietnam needs to formalize a national Just Transition governance framework, such as a JT Commission or inter-ministerial body, to coordinate planning and implementation across sectors and regions. Second, it must develop sectoral and regional JT roadmaps, particularly for coal-dependent provinces like Quang Ninh and Thai Nguyen, combining energy diversification, workforce transition, and social protection. Third, expanding equitable financing and capacity-building mechanisms—including community-led renewables and gender-responsive initiatives will be essential to ensure inclusivity and resilience.

For the international debate, Vietnam offers three key takeaways. First, it shows that embedding Just Transition principles within existing national strategies can accelerate action without creating bureaucratic duplication. Second, the lessons learned from the JETP model illustrates how international climate finance can be reframed to include social protection and labour transition moving beyond technology-focused investments. Third, Vietnam's experience emphasises that achieving a Just Transition in developing economies requires not only financial support but also policy coherence, institutional capacity, and trust-based collaboration between government, civil society, and global partners. With sustained international support, Vietnam can become a model for equitable decarbonisation that balances climate ambition with social justice and inclusive development.

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List of Abbreviations

ADB	Asian Development Bank
EU	European Union
GCF	Green Climate Fund
GEF	Global Environment Facility
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse gas
FDI	Foreign direct investment
IFC	International Finance Corporation
ILO	International Labour Organisation
IPG	International Partners Group
JET	Just Energy Transition
JETP	Just Energy Transition Partnership
JT	Just Transition
MOAE	Ministry of Agriculture and Environment
MOHA	Ministry of Home Affairs
MOIT	Ministry of Industry and Trade
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organisation
PDP8	Power Development Plan VIII
RMP	Resource Mobilisation Plan
SDGs	Sustainable Development Goals
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank

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