



Luxembourg, 15.05.2025

Environmental and Social Data Sheet

Overview

Project Name:	VIET NAM JETP CLIMATE ACTION FL I
Project Number:	2024-0237
Country:	Viet Nam
Project Description:	Financing of climate action and environmental sustainability projects in Vietnam through a Framework Loan with Techcombank.
EIA required:	This is a Framework Loan operation. Some of the underlying allocations may require an EIA.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The operation consists of a Framework Loan (FL) to Techcombank (“TCB”), the second largest private bank in Viet Nam, the “Financial Intermediary” or “FI”. The operation targets exclusively projects eligible for Climate Action and Environmental Sustainability (CA&ES). The sectors concerned within this operation are renewable energy (mainly solar PV rooftop and utility scale solar PV plants), energy efficiency (certified buildings) and sustainable transport (electric vehicles for public mobility).

Environmental Assessment

Environmental aspects in Viet Nam are ruled by the Law on Environmental Protection No. 72/2020/QH14, and by Decree 08/2022/ND-CP. Furthermore, Circular 17/2022/TT-NHNN guides the implementation of environmental risk management in credit granting activities of credit institutions and foreign bank branches.

The environmental and social impact of most of the projects presented in the initial pipeline, if appropriately designed, implemented and operated, is likely to be limited, with no significant negative residual effects. However, projects may considerably vary in size and nature. It is expected that a full Environmental and Social Impact Assessment (ESIA) will be required for the utility scale solar PV plants. The FI will be required to perform an assessment of environmental and social risks for each project and to follow through the environmental and social performance during project implementation. For investments subject to an ESIA, the FI shall ensure that these are carried out as required and the related public consultation is undertaken in accordance with national legislation and the EIB performance E&S standards. The FI would also require such assessments if the investment required one (if located in the EU) in accordance with EIA Directive 2014/52/EU amending Directive 2011/92/EU.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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Projects with significant negative social or environmental impacts will not be allowed. If a project is likely to affect a nature conservation zone/site or other sensitive areas as defined in national or international conventions, the FI shall ensure that it obtains confirmation from the competent authority – following a biodiversity impact assessment in line with EIB requirements – that the project does not have significant negative impacts on any site of nature conservation importance.

The green-house gas net emission savings of this operation cannot be reliably estimated at this stage given its multisector character and expected changes in the project pipeline. However, the Bank will require the FI to collect further related monitoring information from the projects.

EIB Paris Alignment for Counterparties (PATH) Framework

The FI is in scope of the PATH assessment (Financial Institutions) and screened in based on its size (total assets exceeding EUR 30bn).

The FI is in the process of updating its reporting to comply with the Task Force on Climate-related Financial Disclosures (TCFD) requirements. This will be completed not later than 12 months following loan contract signature.

Social Assessment

The FI has been made aware of the risk of forced labour in the solar PV supply chain and will be required to undertake reasonable efforts to mitigate this risk. This will include, on a best effort basis and commensurate to the size of the project, enhanced due diligence where practically achievable, ensuring that appropriate contractual provisions are passed on to contractors/suppliers for each of the underlying investments/projects.

The FI's Environmental and Social Management System (ESMS) shall include the requirement to establish an appropriate grievance redress mechanism ("GRM") at project level. The GRM will be commensurate with the level of E&S impacts and risks of the underlying project and will be designed to ensure that any individual or community who believes they are or might be adversely affected by a project is able to file a grievance or complaint using the grievance process.

Other Environmental and Social Aspects

The FI will be required to ensure compliance of the eligible investments with the EIB Excluded Activities, the EIB E&S Standards, as well as the E&S national laws and regulations. The FI's environmental and social due diligence processes are well integrated in the investment process and are documented in detail. When relevant, the FI shall deliver the ESIA report and other relevant environmental documents to the EIB.

The FI already has an E&S policy in place and has developed an ESMS which is in line with the EIB standards. The ESMS, inter alia, describes the approach to identify and manage E&S risks within investment and portfolio management processes, and defines roles and responsibilities. High-risk projects will be assessed and approved by the Bank prior to allocating EIB proceeds.

The FI's E&S committee has the experience and capacity to apply the EIB's environmental and social standards and requirements.

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Conclusions and Recommendations

The FI's capacity, E&S policy and ESMS provide comfort and support the fulfilment of the EIB's standards under this operation. The investments targeted by the operation are not expected to have major social and environmental impacts, provided that all mitigation measures assessed by the FI and the Bank at project level are implemented.

Additionally, the Bank will require the following:

For all eligible projects, the FI will be required to adhere to the EIB's E&S standards.

- For solar PV projects, the FI shall undertake, on a reasonable effort basis, commensurate to the size of the project, to mitigate against the risk of forced labour in the solar PV supply chain. This should include, where practicably possible, enhanced due diligence (supply chain mapping of the PV module manufacturers reaching the level of silicon/polysilicon suppliers, and/or declarations by the PV module manufacturers concerning the origin of the components used in the PV modules, per project) and ensuring that appropriate contractual provisions are cascaded to final beneficiaries and their contractors/suppliers.
- The FI's Environmental and Social Management System (ESMS) shall include the requirement to establish an appropriate grievance redress mechanism ("GRM") at project level.
- The FI will be required to complete the process of updating its reporting to comply with the Task Force on Climate-related Financial Disclosures (TCFD) requirements not later than 12 months following loan contract signature.

In view of the above findings and with these conditions in place, the operation is acceptable for EIB financing in environmental and social terms.