

Conference Highlights:

05 Key Messages from the Vietnam Green Finance Conference 2026

The analysis and perspectives in this report are drawn from insights shared by speakers at the Vietnam Green Finance Conference 2026, jointly organized by FiinGroup, Nam A Bank and the Ho Chi Minh City International Financial Centre (VIFC-HCMC), with the support of Optima Wealth Partners, on 8/6/2026

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This report does not constitute a credit rating action.

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Against the backdrop of Vietnam recently completing key legal foundations to advance green finance and the International Financial Centre, **the Vietnam Green Finance Conference 2026** successfully brought together more than 250 delegates from regulators, financial institutions, development finance institutions (DFIs), international investors, and the business community.

The Conference focused on structural issues in the green finance market, aiming to developing concrete initiatives and mechanisms to translate transition commitments into actual capital flows to Vietnamese enterprises and projects.

Key Highlights:

- **Vietnam's sustainable finance needs should extend beyond the scope of "Deemed Green" sectors to support high economic growth.** Beyond sectors considered "deemed green," such as renewable energy and electric vehicles, international investors, particularly impact funds, are also showing strong interest in sectors that contribute to emissions reduction and climate change adaptation, alongside demand for transition finance in hard-to-abate sectors and blue finance.
- **Beyond project-based financing through sustainability-linked loans, the market needs to develop more broadly accessible products** such as green bonds, green equities, and blended finance, thereby broadening the investor base, particularly international mutual funds and portfolio investors that prefer portfolio-based investment and allocation through capital market instruments rather than a "deal-by-deal" approach.
- **Constraints in project and transaction structuring are the main bottleneck to bankability.** The ability to mobilise capital depends not only on the availability of funding, but also on project quality, transaction structure, and how risks are allocated, priced, and shared.
- **Vietnam can draw on international experience across five policy pillars to strengthen the capital mobilisation and intermediation capacity of an international financial centre such as VIFC-HCMC:** (i) specific incentive mechanisms, including tax incentives for issuers, investors, and intermediary service providers; (ii) clear and enabling mechanisms for foreign currency flows; (iii) international arbitration mechanisms; (iv) policies and roadmaps for developing specific financial products for banks, investment funds, and debt instruments such as corporate bonds; and (v) regulatory sandboxes for new products and business models.
- **Experience from GIFT City shows that the effectiveness of an international financial centre such as VIFC-HCMC does not depend on any single product or mechanism,** but rather on establishing a single regulatory and supervisory authority instead of multiple ministries, as well as on the degree of coherence across the entire ecosystem. The linkage among the legal framework, product framework, investor access, disclosure mechanisms, and market infrastructure forms the foundation for developing a green finance ecosystem capable of mobilizing capital and channelling it into project financing.

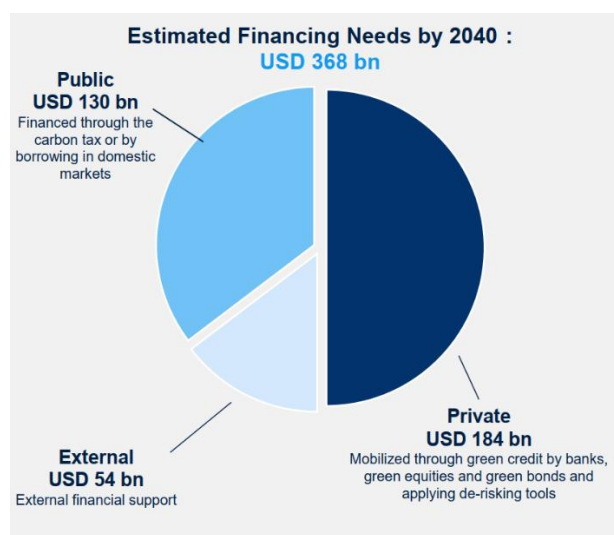
1. Vietnam's sustainable finance needs should extend beyond "deemed green" sectors

Beyond sectors considered "deemed green," such as renewable energy and electric vehicles, international investors, particularly impact funds, are also showing strong interest in sectors that contribute to emissions reduction and climate change adaptation, alongside growing demand for transition finance in hard-to-abate sectors and blue finance.

Vietnam has substantial capital needs for climate adaptation, the green transition, and blue finance development.

- Adaptation and resilience-building account for the largest share of capital needs. According to IFC – World Bank, Vietnam's total climate capital needs are estimated at around USD 368 billion through 2040. Notably, adaptation and resilience account for USD 254 billion, more than double the USD 114 billion required for emissions reduction.
- Transition finance serves as a bridge for high-emission sectors that cannot immediately meet conventional "green" standards. These are capital-intensive sectors such as steel, cement, chemicals, and heavy transport, where reducing emissions requires a long-term transition process and appropriate funding. Globally, the transition bond market is projected to reach around USD 40 billion in 2026.

Figure 1: Estimated Financing Needs for Climate Action in Vietnam through 2040



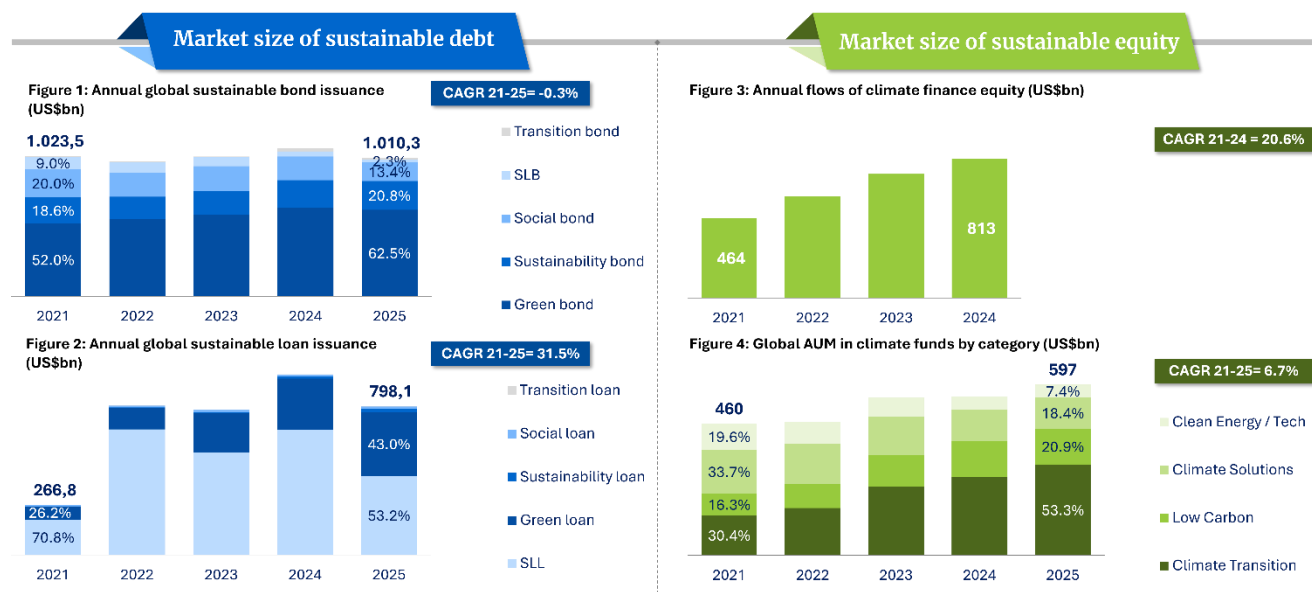
Source: IFC, World Bank CCDR (2025), World Bank Group (2025)

- Blue finance has significant room for growth. The global blue bond market reached approximately USD 15.25 billion as of June 2025, pointing to significant capital-raising potential for sectors linked to the ocean economy. This direction also aligns well with Vietnam's investment needs in coastal infrastructure, fisheries, and the marine economy.
- Climate capital needs extend well beyond renewable energy: capital-intensive sectors such as energy, transport infrastructure, green buildings, and agriculture all require funding for their transition. Globally, climate capital flows are also expanding into power grids, energy storage, clean transport, and industrial decarbonization, reflecting increasingly diverse green capital-raising opportunities.

2. Diversifying financial instruments to broaden access to sustainable capital

- **Beyond project-by-project financing through sustainability-linked loans, the market needs to develop broadly accessible, exchange-listed products to scale impact:** including green bonds and green equities. Sustainability-linked loans are suitable for individual projects, but achieving impact at scale requires standardized instruments that can be traded in capital markets. Global trends also show sustainable finance expanding beyond bonds and sustainability-linked loans: climate equity capital has grown by around 20.6% per year, and climate fund AUM reached approximately USD 597 billion (2021–2025), reflecting an increasingly diverse investor base and product mix.

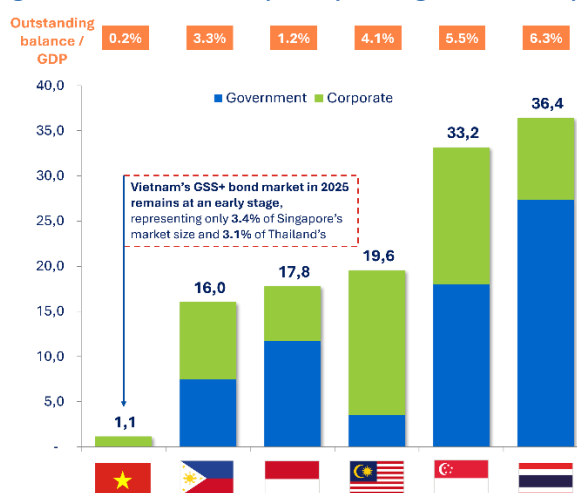
Figure 2: Size of the Global Sustainable Debt and Equity Market



Source: FiinGroup, Environmental Finance Data, ICMA, LMA; Climate Policy Initiative (CPI), Morningstar

- Capital market products help broaden the investor base, particularly international capital flows: Foreign investment funds and institutional investors typically require standardized, liquid, and highly transparent instruments — characteristics that listed green bonds and green equities can meet better than bilateral loans. The fact that 96% of issuers reference ICMA principles and 83% meet Climate Bonds criteria shows that standardization is a key condition for accessing this international capital.
- Blended finance creates a private-capital “pull” effect: Singapore’s FAST-P model has mobilized approximately USD 5 billion, with concessional capital taking first-loss and risk-sharing positions to attract additional commercial capital. This mechanism helps convert a relatively limited amount of public or concessional capital into a larger pool of private capital.
- Vietnam still has considerable room to develop capital market products: outstanding green lending currently stands at approximately USD 32 billion, while the GSS+ bond market is only around USD 1.1 billion, equivalent to about 0.2% of GDP and significantly lower than regional peers such as Singapore or Thailand. This gap reflects Vietnam’s relatively high reliance on bank lending, while highlighting considerable room to develop green bonds, green equities, and other green financial products in the capital market.

Figure 3. Vietnam’s Outstanding Sustainable Bonds (GSS+) vs Regional Peers (USD billion)



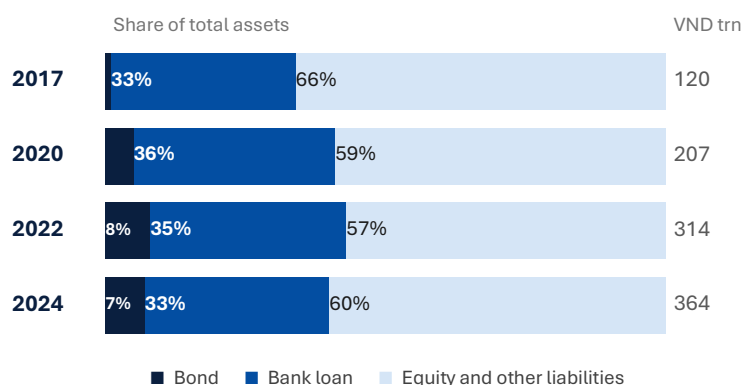
Source: FiinGroup, Bloomberg LP

Note: GSS+ bonds include green bonds, social bonds, sustainability bonds, sustainability-linked bonds, transition bonds, and transition-linked bonds

3. Infrastructure Project Bankability: the bottleneck lies in transaction structure, not the scale of capital

- Capital availability is not the bottleneck; rather, it is structural constraints in projects that affect bankability. Bonds accounted for only 7% of the capital structure of 19 listed infrastructure and energy companies in 2024, virtually unchanged from 2022. Bank borrowings, meanwhile, remained at 33–36%, despite being constrained by tenor limits and single-borrower credit exposure caps.

Figure 4: Bond Funding Has Not Kept Pace with the Growth in Total Assets of Listed Infrastructure and Energy Companies



Source: FiinRatings. Total assets, debt, and bank borrowings of 19 listed companies operating in the infrastructure and energy sectors. The sample includes only listed companies and excludes unlisted state corporations and project companies.

- Product structures remain misaligned with long-term capital needs.** Bond products are currently issued mainly at the parent-company level, remain unrated, and typically carry tenors of 2–3 years. Insurance companies and pension funds, by contrast, typically seek assets with tenors of ten years or more.
- Improving bankability requires addressing both credit risk and green transparency at the same time.** **Credit enhancement mechanisms**, including guarantees from institutions such as GuarantCo or the Credit Guarantee and Investment Facility (CGIF), can improve the credit quality of debt instruments. Meanwhile, a **Second Party Opinion (SPO)** does not change credit risk, but provides an additional independent assessment of how well a Green Bond Framework aligns with green finance principles.
- The implication for VIFC-HCMC is that capital attraction must be linked to project absorption capacity.** International capital can only translate into actual disbursement when projects are structured in a way that allows investors to **assess and price risk**, so improving bankability needs to proceed in parallel with strengthening the centre's institutional framework.

4. Five Policy Pillars Determining Capital-Channeling Capacity for Infrastructure at VIFC-HCMC: Lessons from GIFT City

Experience from GIFT City shows that **a single regulatory authority is a prerequisite**, since the other four factors can only function effectively when there is a single point of approval authority and a consistent interpretation of regulations. GIFT City began to develop markedly after the International Financial Services Centres Authority (IFSCA) was established in 2020, becoming the sole regulator for banking, securities, insurance, and pension funds in place of four previously fragmented regulators. Between 2020 and 2026, banking assets there grew from USD 14 billion to USD 106.7 billion.

Building on this, FiinRatings identifies **five policy pillars that determine the capacity to channel capital to infrastructure projects**, including:

- Mechanisms channeling capital to domestic enterprises.** The foreign commercial borrowing framework needs to clearly define eligible borrowers, limits, tenors, and reporting requirements. At GIFT IFSC, the share of capital channeled through this route rose from 36% to nearly 65% between 2025 and the first nine months of 2026.

(ii) Tax incentive mechanisms for loans and bonds. Lower withholding tax raises after-tax returns for investors or lowers the cost of capital for issuers, which is especially significant for infrastructure financing with tenors of 15–20 years.

(iii) Foreign-currency transaction mechanisms and non-resident regulations: This mechanism enables international lenders to disburse and receive repayments in foreign currency, reducing foreign-exchange regulatory constraints. However, the resulting currency risk shifts to the project and needs to be addressed within the contractual structure.

(iv) International arbitration mechanisms based at the financial centre: IFSCA is moving forward with establishing an independent arbitration centre at GIFT City. According to Ms. Deedee Panuvatvanich of Norfund, dispute resolution mechanisms are one of four conditions international investors consider before committing capital, particularly for long-term infrastructure financing.

(v) Controlled sandbox mechanisms. This is also the direction Vietnam is pursuing. VIFC in Ho Chi Minh City and Da Nang could operate regulatory sandboxes before products that prove effective are incorporated into the general legal framework.

Figure 5: Success factors at GIFT City and the items requiring specification at VIFC

Factor at GIFT City	Specific benefit	Items requiring specification in Vietnam
External commercial borrowing channel routing capital to domestic enterprises	Capital raised at the international financial centre reaches domestic projects at a scale of tens of billions of USD	Legal framework defining eligible borrowers, limits, minimum tenor, permitted use of proceeds and the reporting regime
International arbitration located at the international financial centre	Enforceability of creditor rights, reducing the legal risk premium	Jurisdiction, scope of cases and the mechanism for recognising awards in Vietnam
Transactions in foreign currency, participants treated as non-residents	International lenders transact in the currency they hold, with clearly defined tax obligations	Mechanism for handling the currency mismatch when capital is channelled to projects earning revenue in Vietnamese dong
Tax incentives for loans and bonds	Higher after-tax yield or lower cost of capital	Level of incentive and eligible parties

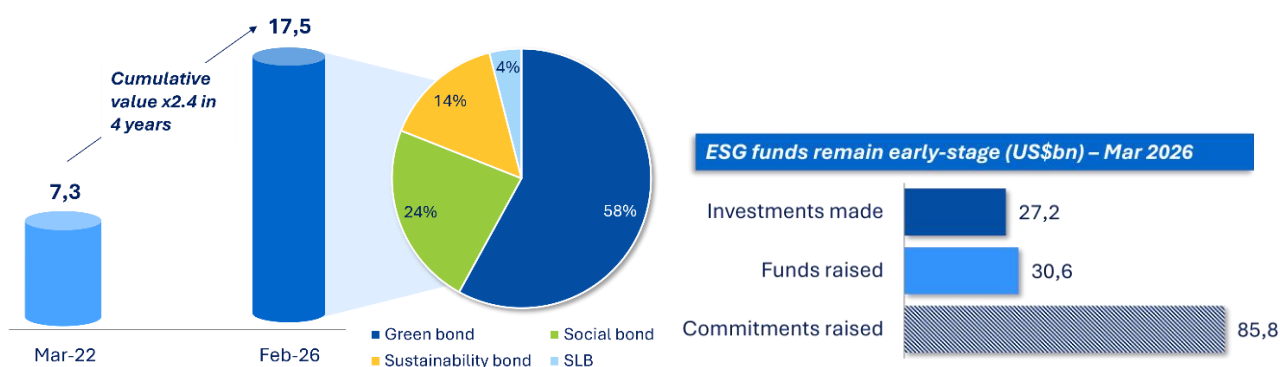
Source: FiinRatings, compiled from presentations at the Conference on 6/8/2026 and GIFT City publications.

5. Five Factors to Consider in Developing Green Finance at VIFC: Lessons from GIFT

- **Expanding green finance across multiple financial intermediation channels:** GIFT City has developed its green finance framework simultaneously through **banks, finance companies, capital markets, and investment funds**, rather than concentrating solely on green bonds. Its Sustainable and Sustainability-Linked Lending Framework requires 5% of incremental lending by banks and finance companies to be allocated to green, social, or sustainable projects, with cumulative outstanding loans reaching approximately USD 4.9 billion after two years of implementation.
- **Building bankability requirements into instrument design from the outset:** For transition bonds, issuers must develop a transition plan aligned with the Paris Agreement while meeting requirements on emissions pathways, carbon-reduction plans, science-based targets, governance, stakeholder engagement, and transparency. Independent assessment requirements — including SPOs, verification, and certification — provide an additional basis for evaluating how well an instrument and its issuer meet ESG criteria.

- **Recognizing multiple international taxonomies and standards:** Accepting frameworks such as ICMA, the EU, ASEAN, and CBI reduces the need to adapt to a single separate standard when accessing GIFT City. In addition, pre- and post-issuance disclosure requirements on ESG objectives, project selection, use and allocation of proceeds, and impact help strengthen the ability to assess and monitor the delivery of ESG commitments.
- **Developing listing infrastructure alongside the product framework:** The cumulative value of ESG-labelled debt instruments listed on IFSC exchanges grew from USD 7.3 billion to USD 17.5 billion over four years, a 2.4-fold increase, of which green bonds accounted for 58%. This trend shows that issuance frameworks need to be matched by listing and trading infrastructure to support market development.
- **A significant gap remains between committed capital and capital actually raised:** ESG funds at GIFT City recorded USD 85.8 billion in committed capital, USD 30.6 billion in capital raised, and USD 27.2 billion in capital actually invested. The roughly 64% gap between committed and raised capital is significantly wider than the approximately 11% gap between raised and actually invested capital, indicating that converting capital commitments into deployable funding remains an area for improvement.

Figure 6: Cumulative Value of ESG-Labelled Debt Instruments Listed on India's IFSC Exchanges (USD billion)



Source: FiinGroup, IFSCA

If you require further information or wish to speak directly with our analysts, please contact us at:

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2. Market Commentary

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- [\[March 13, 2026\] Vietnam Economic Outlook 2026: Positioning Capital for High Growth Targets 2026 and Beyond](#)
- [\[February 26, 2026\] Vietnam Corporate Credit Conditions 2026 | Navigating Crosswinds: Growth at a Crossroads](#)

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- [\[October 03, 2025\] Vietnam's Banking Sector Spotlight First Half of 2025: From Growth to Resilience – Capital Strength Will Shape Vietnam Banking Outlook](#)

4. Vietnam Corporate Bond Market Forum 2026 Commentary [April 02, 2026]

- [Commentary 01: Five Key Messages from the Vietnam Corporate Bond Market Forum 2026](#)
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- [\[May 08, 2026\] Q1/2026 Vietnam Corporate Bond Market Spotlight: Issuance Activity Under Pressure from a High-Interest-Rate Environment](#)
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