November 18, 2026

Joint Statement:
Objection to JICA's loan agreement on the O Mon 3 gas-fired power plant in Vietnam
ODA should not exacerbate climate change

On November 9, the Japan International Cooperation Agency (JICA) signed a loan agreement (L/A) for Official Development Assistance (ODA) to support the construction of the O Mon 3 gas-fired power plant (Phase 1) in southern Vietnam (*1). We, as civil society organizations, express strong objection to this decision containing many problems.

Last December, 29 civil society organizations including some of our own, sent an Open Letter (*2) to the President of JICA and the Ministers of relevant government ministries, urging them to abandon plans to finance the O Mon 3 gas-fired power plant in Vietnam and calling on them to stop exacerbating climate change. The letter outlined 10 key concerns, noting that the world is off track of 1.5°C and we need to get back; that JICA should not contribute to driving up GHG emissions; and that Vietnam is already experiencing relentless disasters without time for recovery. We expected JICA to thoroughly examine the gravity of these issues, but they have not opted to halt the financing process. The press release and the project's Ex-Ante Evaluation document—both published at the time of the agreement's signing—fail to provide any adequate response to these concerns, even as the signing itself is being touted with great fanfare.

Given that the construction of O Mon 4 is currently financed through private-sector loans, it is highly questionable whether the provision of an ODA yen loan for the construction of O Mon 3, which is to be located on an adjacent site, is accepted. The loan agreement recently signed for the construction of O Mon 3 carries an interest rate of 1.4% and a 30-year repayment period (including a 10-year grace period)—terms that remain unchanged from those stipulated in the Exchange of Notes (E/N) signed 13 years ago, in 2013. ODA yen loans are intended as long-term, low-interest, concessional financing to be provided only when private-sector funding cannot be secured; this condition—that such loans are restricted to cases where private financing is unavailable—must be strictly upheld.

Furthermore, while JICA states in its press release that this project will "help ensure a stable electricity supply and promote the wider deployment of renewable energy," there are other ways to increase renewable energy capacity without supporting the construction of the O Mon 3 power plant. It remains unclear to what extent JICA and the Japanese government have explored such alternatives. While the construction of the O Mon 3 gas-fired power plant would take three to four years, some analyses (*3) suggest that solar or wind power projects could be implemented in just a few months.

It is essential to transition from fossil fuels to renewable energy, because we must minimize both the duration and magnitude of any overshoot of the 1.5°C limit by reducing GHG emissions, and ultimately bringing temperatures well below that threshold. O Mon 3 is scheduled to begin operations in 2030, meaning it will continue to emit GHG for over two decades or more. At a time when the world is striving to limit the extent of any such overshoot, this project actively undermines those very efforts.

We protest the signing of this Loan Agreement and call on JICA to cease all support for fossil fuel projects—in other words, to bring such support to an end. Limited ODA funds should be directed toward projects that do not exacerbate climate change.

Notes:
*1 JICA Press Release "Signing of Japanese ODA Loan Agreement with Viet Nam: Contributing to stable electricity supply and sustainable economic growth in Southern Viet Nam" (November 10, 2026)

https://www.jica.go.jp/english/information/press/2026/20261110_12.html
Ex-Ante Evaluation
https://www.jica.go.jp/english/information/press/2026/__icsFiles/afieldfile/2026/11/10/jizen_ENG_VietNam.pdf

*2 Open Letter: JICA, No Loan to the Construction of O Mon 3 gas-fired power plant in Vietnam Don't Exacerbate the Climate Crisis! (December 19, 2025) https://www.mekongwatch.org/PDF/rq_20251219_Omon3_Eng.pdf
10 key concerns outlined: 1. The world is off track of 1.5°C and we need to get back, 2. Lock-in of GHG emissions makes Vietnam's Net Zero harder, 3. Would violate G7 commitment (must honor its international obligations regarding climate change), 4. JICA should not function as a stimulator to boost the GHG emissions, 5. Relentless disaster, no time to recover, 6. Reduces the effect of climate crisis counter projects by JICA, 7. Direct impact on the fertile Mekong Delta 8. Without O Mon, Vietnam managed its electricity, 9. Vietnam has high potential in renewable energy, 10. Financing is not in line with JICA's loan conditions

*3 IEEFA "From boom to balance in Vietnam's clean energy transition" (June 17, 2025)
https://ieefa.org/resources/boom-balance-vietnams-clean-energy-transition

Signatory organizations:

AbibiNsroma Foundation
Center for Energy, Ecology, and Development (CEED)
FoE Japan
Fossil Free Thailand
Friends of Bangpakong
Japan Center for a Sustainable Environment and Society (JACSES)
Mekong Watch
Oil Change International
Pakistan Fisherfolk Forum
Philippine Movement for Climate Justice (PMCJ)
Rhizoma Indonesia
Society for Women Rights and Development (SWoRD)
Trend Asia