To: Mr. Akihiko Tanaka, President of the Japan International Cooperation Agency (JICA)

CC:

H.E. Satsuki Katayama, Minister of Finance

H.E. Toshimitsu Motegi, Minister for Foreign Affairs

H.E. Ryosei Akazawa, Minister of Economy, Trade and Industry

# Open Letter: JICA, No Loan to the Construction of O Mon 3 gas-fired power plant in Vietnam Don't Exacerbate the Climate Crisis!

We 29 organizations demand the Japan International Cooperation Agency (JICA) to halt its consideration for providing a loan to the construction of O Mon 3 gas-fired power plant in Can Tho, Vietnam, due to the project's potential negative environmental and climate impacts.

# 1. The world is off track of 1.5°C and we need to get back

More than ten years after the Paris Agreement, global greenhouse gas (GHG) emissions have not fallen sufficiently. The recent climate modeling by UNEP indicated that within the next decade, global temperatures will likely exceed 1.5°C above pre-industrial levels¹. Nevertheless, the magnitude and duration of this overshoot must be limited as much as possible, and pursuing efforts to limit global warming to 1.5°C stays critical.

#### 2. Lock-in of GHG emissions makes Vietnam's Net Zero harder

The planned 1,050 MW O Mon 3 gas-fired power plant, with a targeted start year of 2030 and a 25-year operational lifespan<sup>2</sup>, would lock in GHG emissions until at least 2055. Vietnam's revised 2025 Power Development Plan (PDP8)<sup>3</sup> plans to convert some gas power plants into hydrogen combustion by 2050, it is unknown whether O Mon 3 is in that plan. Even if so, the plant will be emitting GHG until full conversion. Also, conditions for hydrogen combustion, including enough hydrogen supply to be realized remain highly uncertain<sup>4</sup>.

The Climate Action Tracker currently rates Vietnam's climate targets and policies, such as revised PDP8 and Nationally Determined Contributions (NDCs), as "critically insufficient," meaning not at all consistent with the Paris Agreement's 1.5°C limit<sup>5</sup>. They are on track to 4°C. Net Zero by 2050 is rated as "average" but highlights the risk of increased stranded assets from the rising reliance on fossil gas in the planned power sector expansion.

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https://www.pecc3.com.vn/en/connection-agreement-of-o-mon-iii-combined-cycle-power-plant-to-the-national-power-system/

https://xaydungchinhsach.chinhphu.vn/toan-van-quy-hoach-phat-trien-dien-luc-quoc-gia-11923051616 315244.htm

<sup>&</sup>lt;sup>1</sup> https://www.unep.org/resources/emissions-gap-report-2025

<sup>&</sup>lt;sup>4</sup> https://www.iea.org/reports/global-hydrogen-review-2025/production-prospects-to-2030-2

<sup>&</sup>lt;sup>5</sup> https://climateactiontracker.org/countries/vietnam/

#### 3. Would violate G7 commitment

At the G7 Elmau, Japan has agreed to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022<sup>6</sup>.

While an Exchange of Notes between the Government of Japan and Vietnam regarding O Mon 3 was conducted in 2013, the project experienced inactivity with no further proceedings for more than ten years<sup>7</sup>. Thus, O Mon 3 should be classified as a new project, and not the existing commitment before 2022.

Japan must honor its international obligations including adherence to the Paris Agreement, fulfilling the promise of the 2022 G7 Elmau commitment, and acting in alignment with the COP28 to transition away from fossil fuels.

## 4. JICA should not function as a stimulator to boost the GHG emissions

Providing support on O Mon 3 could induce the construction of additional fossil gas plants in the complex, thereby locking in decades of massive GHG emissions. Plans for this expansion already exist, including the O Mon 4 (1,155 MW), which recently had an EPC contract and a groundbreaking ceremony in mid-2025<sup>8</sup> and the O Mon 2 (1,050 MW). Given that JICA has already provided support to the operational O Mon 1 (660 MW)<sup>9</sup>, JICA's participation should conclude at this stage. It is imperative that JICA halt any finance or support to any expansion efforts that would lead to the development of more GHG-emitting facilities.

## 5. Relentless disaster, no time to recover

Vietnam is one of the most vulnerable countries to climate change, enduring stronger typhoons every year such as Typhoon Yagi in 2024. This year, until the end of November, more than twenty storms including fifteen typhoons struck, causing catastrophic damage and numerous deaths<sup>10</sup>. While JICA provides emergency relief goods<sup>11</sup>, this action is undercut by its support for fossil fuels. If JICA is serious about preventing future damage and tragedies, it must refrain from supporting the construction of a new gas power plant which will fuel the climate crisis further.

#### 6. Reduces the effect of climate crisis counter projects by JICA

Due to sea level rise and other reasons, the Mekong Delta is facing salinity problems. To address this, JICA is implementing sluice projects<sup>12</sup>. JICA is implementing other water management projects in Vietnam and elsewhere. However, impacts of these projects would

https://theinvestor.vn/petrovietnam-breaks-ground-on-11-bln-thermal-power-plant-in-mekong-delta-d1 6727.html

https://vietnamnet.vn/en/vietnam-to-face-record-setting-21st-tropical-storm-system-in-2025-2467624.html

<sup>&</sup>lt;sup>6</sup> https://www.mofa.go.jp/mofaj/files/100433088.pdf

<sup>&</sup>lt;sup>7</sup> https://www.jica.go.jp/about/policy/environment/advice/n\_files/1200801\_004.pdf

<sup>&</sup>lt;sup>9</sup> https://www2.jica.go.jp/en/evaluation/pdf/2012\_VN12-P9\_1\_f.pdf

<sup>&</sup>lt;sup>11</sup> https://www.jica.go.jp/english/information/jdrt/2025/1574493 66406.html

<sup>12</sup> https://www.iica.go.jp/oda/project/VN17-P2/index.html

be reduced, if JICA continues to support the opposite direction - more climate change by more fossil fuel power plants.

# 7. Direct impact on the fertile Mekong Delta

The planned O Mon 3 is located in Can Tho, within the Mekong Delta – a region highly vulnerable to environmental stress. Its position<sup>13</sup> on the southwestern banks of the Hau River poses a threat to this ecologically important waterway, as the plant will withdraw water for operations and discharge heated water back into the river. The plant will be emitting NOx and SOx, directly contributing to local air pollution and causing impacts on the surrounding ecosystem and communities.

# 8. Without O Mon, Vietnam managed its electricity

The planned O Mon 3 gas power plant is expected to use gas from the offshore Block B gas field –its fundamental development only began in 2024 after the Japan Bank for International Cooperation (JBIC) contracted a loan for the construction of the pipeline connecting the gas field with the O Mon power complex<sup>14</sup>.

In the power complex, there already exists O Mon 1 where unit 1 started operation in 2009 and unit 2 in 2015 using fuel oil until gas from Block B reaches the power complex. Meanwhile, output has been minimal, as the plant only needed to operate at emergency times. Japan's Board of Audit found in its recent investigation that only a minimal amount of power had been generated, where there even was a year with zero production<sup>15</sup>. However, Vietnam successfully managed the country's electricity for the whole past years. This implies that there is a way to meet the demand without further buildout of the O Mon complex.

# 9. Vietnam has high potential in renewable energy

JICA should be supporting renewable energy such as solar and wind, not the O Mon 3 gas-fired power plant. Vietnam's current power capacity is around 90 GW, and boasts an enormous untapped renewable energy potential. According to the US International Trade Administration, Vietnam's technical potential for solar power is up to 1,646GW<sup>16</sup>. According to the GIZ/MOIT project, onshore wind is between 10 GW and 20 GW<sup>17</sup> and surprisingly, the recent calculation by the Vietnamese government found the technical potential of offshore wind at 1,068GW<sup>18</sup>. Given this overwhelming evidence of domestic, clean energy resources, it is obvious that JICA should not support gas-fired power.

# 10. Financing is not in line with JICA's loan conditions

Whether public or private, any finance should not be provided for the construction of fossil power as they exacerbate the climate crisis. In addition, for the O Mon 3 case, it is doubtful if

 $\frac{https://www.trade.gov/country-commercial-guides/vietnam-power-generation-transmission-and-distrib}{\underline{ution}}$ 

https://www.undp.org/sites/g/files/zskgke326/files/2025-09/print\_assessment\_of\_wind\_energy\_technic al potential justified.pdf

<sup>13</sup> https://www.jica.go.jp/about/policy/environment/advice/n\_files/1200801\_003.pdf

https://www.jogmec.go.jp/english/news/release/news\_10\_00061.html https://www.jbic.go.jp/en/information/press/press-2024/press\_00038.html

<sup>15</sup> https://www.jbaudit.go.jp/report/new/kobetsu06/pdf/071016.pdf

<sup>18</sup> https://en.mae.gov.vn/vietnam-can-harness-1068-gw-of-offshore-wind-power-8836.htm

a condition for JICA to provide an Official Development Assistance (ODA) loan is fulfilled. ODA loan is a concessional loan that is provided only when securing of private funding is impossible. Since O Mon 4 is supposedly securing funding from private banks, and O Mon 2 is reported in search of private banks as well<sup>19</sup>, it is questionable whether O Mon 3 even meets the condition for JICA ODA loan. JICA must strictly maintain loan conditions and before all else, must not provide any finance to fossil power projects.

We trust that JICA fully reviews the severity of the issues outlined above. Please halt considerations for providing an ODA loan to the O Mon 3 gas-fired power plant and search for ways to refocus on supporting genuinely clean and renewable energy resources that align with global climate goals.

# Sincerely,

AbibiNsroma Foundation (ANF)

Asian Peoples Movement on Debt and Development

**CEE Bankwatch Network** 

**CELIOS** 

Center for Energy, Ecology, and Development (CEED)

Community Resource Centre (CRC)

Don't Gas Indonesia

**Energy Shift Southeast Asia** 

**ETOs Watch Coalition** 

FoE Japan

Fossil Free Thailand

Growthwatch

International Rivers

Japan Center for a Sustainable Environment and Society (JACSES)

Jubilee Australia Research Centre

KRuHA

Mekong Watch

Monitoring Sustainability of Globalisation

Oil Change International

Ollfield Witness

Oyu Tolgoi Watch

Pakistan Fisherfolk Forum

ReCommon

Rivers & Rights

Rivers without Boundaries (RwB)

Rivers without Boundaries Coalition

Solutions for our Climate (SFOC)

The Mekong Butterfly

Trend Asia

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<sup>&</sup>lt;sup>19</sup> https://www.txfnews.com/news/70035/o-mon-2-ccgt-out-to-banks