DFAT Management Response: Mid-Term Review of the Australia–Vietnam Energy Transition Platform (AVETP)

Overview

The Australia–Vietnam Energy Transition Platform (AVETP) is a DFAT-funded initiative established in 2023 to support Vietnam's transition to a low-carbon and climate-resilient economy by mobilising private sector investment. The program is implemented primarily through the Private Infrastructure Development Group (PIDG), which deploys a combination of blended finance instruments—including equity, loans, guarantees, and technical assistance—to catalyse investment into sectors that are underserved by conventional financing. Designed as a catalytic platform rather than a traditional development program, AVETP focuses on unlocking commercially viable but constrained opportunities that can demonstrate new financing models and crowd in additional private capital over time.

Originally scheduled to conclude in 2025, the program was extended to 30 June 2028 to allow further implementation of the program and accommodate the establishment of a Credit Enhancement Facility (CEF).

AVETP operates in a context where Vietnam faces substantial captial needs to meet its net-zero commitments. The program adopts a market-driven and opportunity-led approach, supporting transactions across a range of climate-relevant sectors such as renewable energy, e-mobility, water infrastructure, and the circular economy. While renewable energy remains central to its objectives, the portfolio has evolved to reflect changing market conditions and regulatory constraints, allowing the platform to continue delivering impact through alternative channels aligned with Vietnam's broader climate transition agenda.

In 2026 DFAT commissioned an independent Mid-Term Review (MTR) of the AVETP to assess its effectiveness, monitoring and evaluation (MEL) arrangements, and strategic alignment since its commencement in 2023.

The MTR found that AVETP is delivering high-quality, catalytic, and market-shaping transactions that fill critical financing gaps in Vietnam's net-zero transition. However, the report also noted that while the platform is performing strongly at the transaction level, further strengthening of country-facing systems, visibility, and reporting arrangements would enhance its effectiveness as a coherent bilateral program. DFAT welcomes these findings and is committed to working with PIDG and relevant stakeholders to further strengthen the platform's local interface and overall bilateral impact.

Management Response to Recommendations

No	Recommendation	Response	Action Plan / Comments
1	Establish a stronger country-facing function in Vietnam.	**Agree**	DFAT and other doners have raised this issue with PIDG. PIDG has responded to the issue and will engage a new country-facing senior resource with extensive networks and connections, for business development activities. This resource will complement existing onshore staff in the asset management and finance team. This will considerably strengthen PIDG's country-facing presence in Vietnam.
2	Strengthen visibility of Australia's contribution through a practical communications approach.	**Agree**	DFAT and PIDG will work together to further enhance the use of communication tools and mechanisms to ensure Australia's contribution is appropriately and consistently recognised across transactions, events and engagement activities. This will include improved documentation of Australian-supported outcomes, and earlier coordination with DFAT Post on public diplomacy opportunities. It is acknowledged that PIDG operates as a multi-donor platform, which requires a balanced and partner-sensitive approach to communications. Within this context, DFAT and PIDG will identify practical and proportionate ways to highlight Australia's contribution, such as joint messaging, case studies, co-branding where appropriate, and targeted bilateral communications, while remaining consistent with PIDG's multi-donor positioning and agreed communication protocols.
3	Refine the program logic and establish a light AVETP-level MEL framework.	**Agree**	DFAT will work with PIDG to refine the intermediate outcomes to better align with sustainable infrastructure and climate finance outcomes to support the broader objectives of the program. DFAT will work with PIDG to assess the appropriate level at which a light fit-for-purpose MEL framework can be applied, building on existing systems and reporting mechanisms.
4	Introduce a minimum crosscutting and climate dataset for all transactions.	**Agree**	PIDG and DFAT are working together to agree on a revised and improved reporting template for AVETP. This will include specific data for renewable energy, climate, gender and disability

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			inclusion, and transparent assumptions for avoided emissions.
5	Prioritise quality, additionality, and market-shaping over simple volume targets.	**Agree**	AVETP's comparative advantage lies in market-shaping and demonstration effects, which include filling gaps local banks cannot serve—rather than simple transaction volume. PIDG is already doing a good job on this market front. DFAT will continue to engage closely with PIDG to support this strategic focus and ensure alignment with AVETP objectives. AVETP will continue to prioritise investments that demonstrate additionality, including first-of-kind structures and innovative financing approaches, while recognising that investment decisions, including the use of technical assistance, remain within PIDG's portfolio management framework.
6	Manage the Credit Enhancement Facility (CEF) as a longer-horizon initiative.	**Agree**	DFAT and PIDG will continue to work closely together, with government stakeholders and other donors, to assess progress and agree on the most appropriate approach for taking the CEF forward, taking into account regulatory developments, institutional arrangements and market conditions. Subject to these factors, implementation pathways and timelines may need to be refined, with a focus on identifying a practical and effective solution to support the establishment of the CEF.