VIETNAM'S CLIMATE TECH FUNDING ECOSYSTEM REPORT

THE VIETNAM CLIMATE TECH ECOSYSTEM REPORT 2026

OCTOBER 2026



NEW ENERGY NEXUS Vietnam

RMIT UNIVERSITY CBET

TABLE OF CONTENTS

1. Executive Summary 3

2. Context &Background 6

2.1 Significance of the report 6

3. Methodology & Limitations 8

3.1 Research questions 8

3.2 Limitations 8

4. Key Findings 9

4.1 Funding activity & deal trends from 2024 to 2025 9

4.1.1 Funding instruments: capital changed its shape 11

4.1.2 Sector distribution 13

4.1.3 Stage distribution and the investor landscape: fewer, later, larger 14

4.1.4 The missing middle, measured 14

4.2 Why the numbers moved and why some did not 16

4.2.1 Sector snapshot 2025 16

4.2.2 Shifts in how capital was invested 19

4.2.3 Gaps where policy and support have not yet turned into capital 25

4.2.4 Synthesis: what moved, what did not, and what to watch 35

4.2.5 How to read the numbers 36

5. Implications: 37

5.1 For funders and investors 37

5.2 For intermediaries 39

5.3 For enterprises 40

6. Emerging Opportunities & 2026 Outlook 41

Reference 43

1. Executive Summary






Vietnam's climate tech funding slowed in 2025, but this says more about the size of the market than about the health of the sector. The sector recorded USD 49.86M in disclosed funding across 33 transactions in 2025, roughly half of 2024's USD 104.2M across 60 transactions.

Venture capital (VC), the investment that backs young companies in return for a share of ownership, fell furthest. VC deals dropped from 16 to 6 and disclosed value fell about 70%. Twenty-three enterprises received funding, down from 41, and the number of active direct investors fell from 22 to 17.

2024

USD 104.2M

across **60 transactions**

Funded enterprises **41 → 23**; direct investors **22 → 17**

2025

USD 49.86M

across **33 transactions**

0 of **22 surveyed** enterprises secured a domestic green bank loan

VC deal count down



63%

to six transactions

In a market this small, one transaction can set the annual total. TechCoop's USD 70M Series A, a company's first large investment round, accounted for 67% of the 2024 total and no deal of that scale occurred in 2025. Excluding the largest deal in each year, funding fell 19%, from USD 34.2M to USD 27.86M, not by half.

What changed was the type of capital. Equity, meaning investment in return for shares, gave way to debt and grants, and a single USD 20M infrastructure loan lifted lending almost sevenfold.

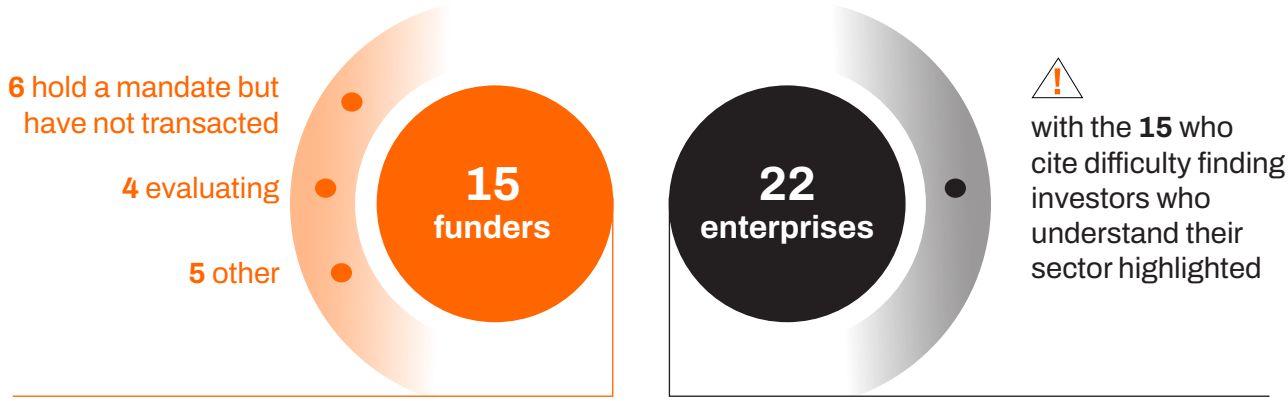
Investors moved toward safer, more predictable positions, with fewer deals, proven later-stage companies, and loans secured against assets. This shows up clearly in rooftop solar, where four companies independently arrived at the same structure, loans secured against their physical assets combined with equity. Enterprises without physical assets to borrow against, such as platform, data, and biotechnology businesses, could rarely use this route, whatever their climate impact.

The investor base also changed. 2025 brought in new Japanese, Singaporean, European, and Taiwanese investors writing larger checks at later stages, while Vietnamese funds and institutions were barely visible in the deal record. Domestic banks played little part. None of the 22 surveyed enterprises secured a green loan from a domestic bank in 2025, and only one commercial bank took part in the research. The green taxonomy, the official list of what counts as a green investment, may change this over time, although lending to small climate enterprises is likely to remain difficult in the near term.

Capital is available but is not reaching enterprises. Of the 15 surveyed funders, 10 have money set aside for climate investment in Vietnam or are actively evaluating the market but have not yet invested. Funders report difficulty finding enterprises ready to take capital, while 15 of 22 enterprises report difficulty finding investors who understand their sector.

The clearest sign is the missing middle, the gap between the largest grants and the smallest investment rounds. It widened in 2025. No recorded deal closed between the largest grant, USD 350K, and the smallest Series A, USD 1M, down from four such deals in 2024. The deal record also misses much early-stage finance from friends, family, founder networks, and angel investors, so better deal data is needed to see the full picture.

2025 was a record year for policy on investment, innovation, and climate solutions in Vietnam, with 29 laws and regulations issued. The detailed rules that put them into practice, certification systems, and bank products are still catching up, and the handoff between grant-makers, funds, and banks is not yet coordinated.



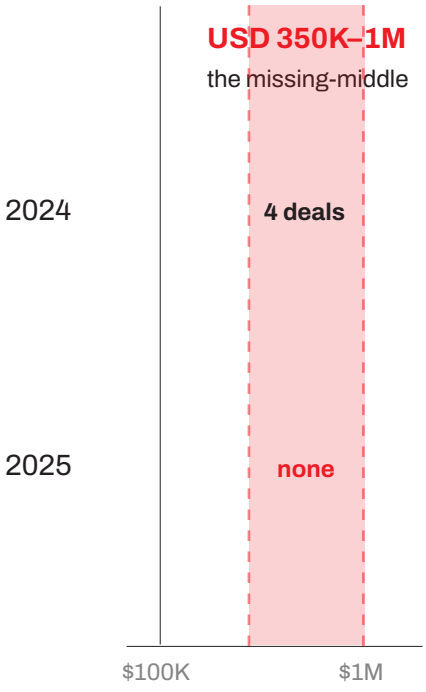
Capital not moving, seen from both sides.

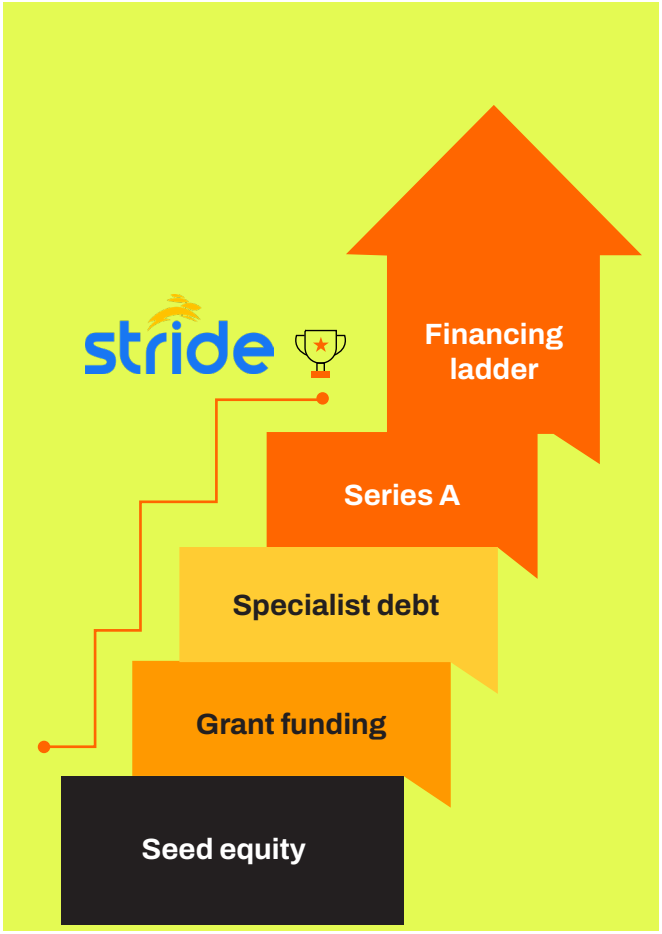
The priorities for 2026 are financing built for the USD 350K to USD 1M range, such as loans designed for young companies, financing repaid as a share of revenue, and loans backed by guarantees, along with better data on deals.

There are early signs of progress. Stride, a rooftop solar company, moved through the full financing sequence, from early investor funding through a grant and a specialist loan to a Series A.
Do Ventures Fund II secured a further USD 10M (outside the study window) commitment from Australian Development Investments, Australia's first such commitment in Vietnam.

New programs have also entered the market, including a clean-energy grants initiative backed by SNV and a second cohort of PwC's Climate Finance Accelerator Vietnam.

Vietnam's climate enterprises are not short of investor interest. They are short of the instruments and infrastructure that would turn that interest into deals. This matters beyond the investment figures. Vietnam has committed to net zero emissions by 2050, and reaching that target depends on the solar, storage, clean transport, and recycling businesses tracked in this report being able to grow.





2. Context & Background

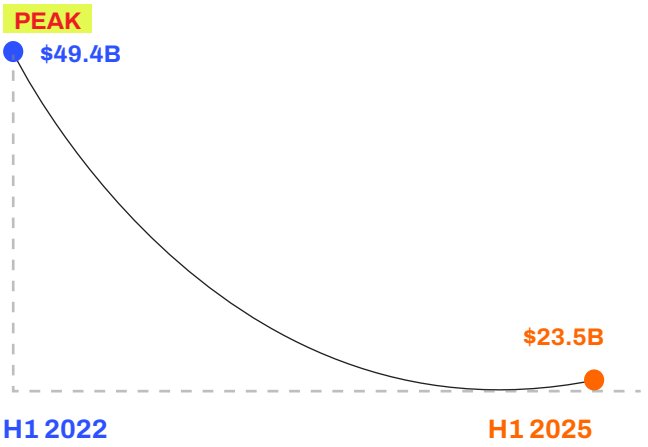
2.1 SIGNIFICANCE OF THE REPORT

Global climate tech funding has been falling since its peak in 2022. PwC recorded a 40% fall in 2023, then a further 29% drop to USD 56B in the year to Q3 2024[1]. Net Zero Insights put global equity funding at USD 23.5B in the first half of 2025, less than half its peak of USD 49.4B in the first half of 2022[2]. Vietnam saw the same pattern. Equity fell while debt held up, capital concentrated into fewer, larger rounds, fewer companies moved from a seed round to a Series A, and grant funding and startup support programs pulled back.

Within Southeast Asia, capital is concentrated in Singapore, which took roughly USD 872M of about USD 1.1B in disclosed regional climate tech equity between 2018 and mid-2026, according to Tracxn. Indonesia followed at USD 162M and Vietnam at USD 53M. Vietnam is therefore a small share of a small regional total. Tracxn counts only disclosed equity rounds, so these figures are for cross-country comparison only and cannot be compared with the CTE Ecosystem Mapping Database figures, which also include debt, grants, and prize funding.

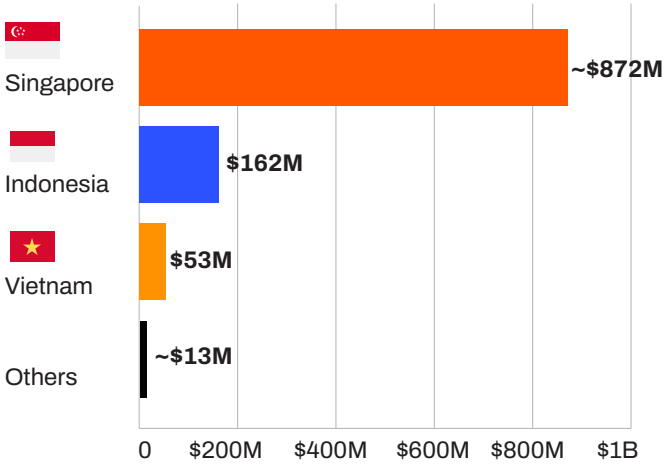
Net Zero Insights

GLOBAL EQUITY FUNDING



Tracxn

DISCLOSED REGIONAL CLIMATE TECH EQUITY
(2018 to mid-2026)



Note: Tracxn figures are for cross-country comparison and are not comparable with the CT-IE database.

1 https://www.pwc.com/gx/en/issues/esg/climate-tech-investment-adaptation-ai.html

2 https://netzeroinsights.com/resources/h1-2025-data-shows-steady-global-funding-despite-policy-headwinds/

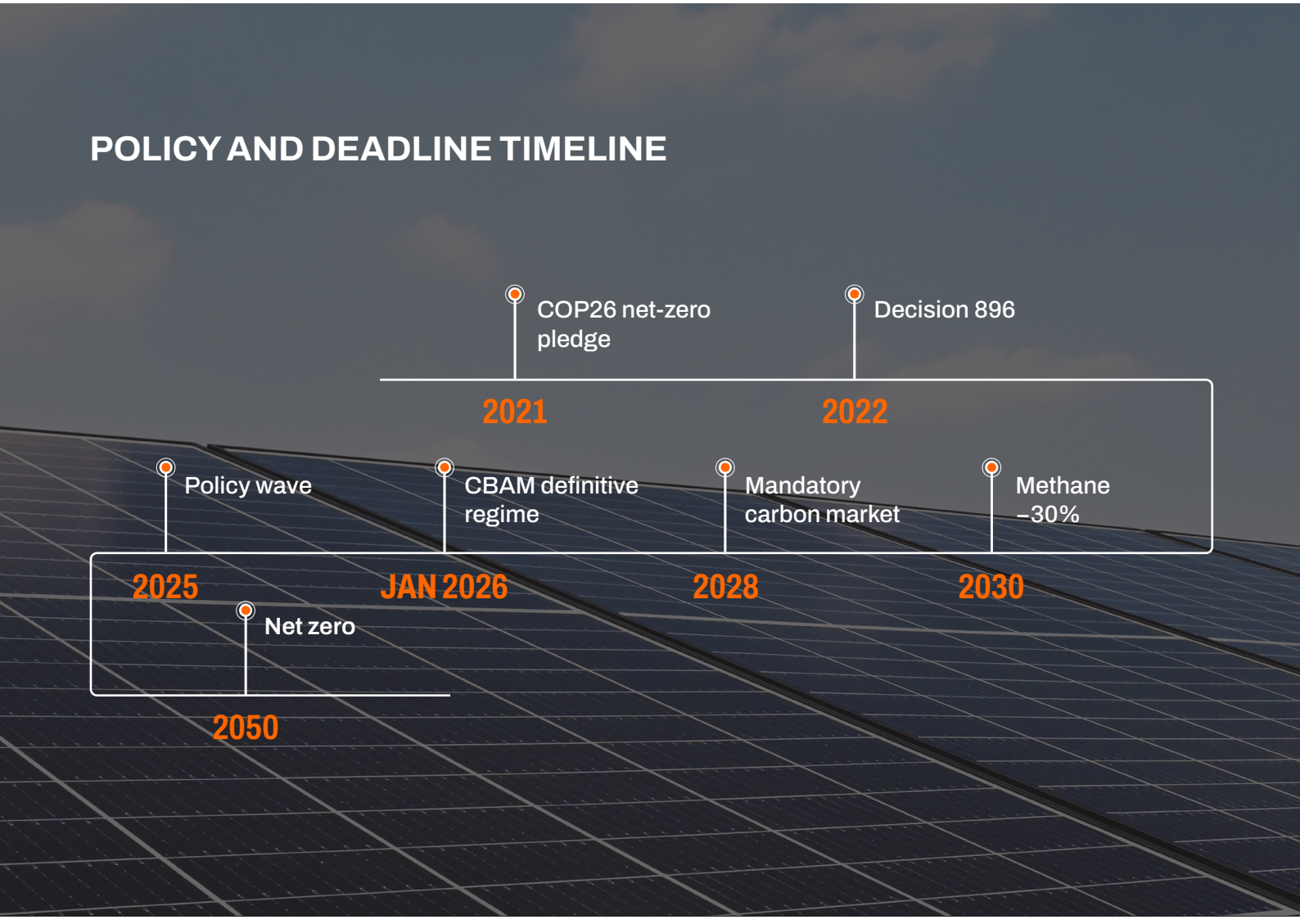
That small funding base contrasts with Vietnam's commitment at COP26 in 2021 to net zero emissions by 2050. The target is set out in Decision 896/QD-TTg and the 2025 update to the National Power Development Plan VIII (PDP8). Meeting it depends on deploying climate technology at scale, which depends on the capital this report tracks. Three factors make 2025 the right time to examine the ecosystem:

First, the policy environment changed faster in 2025 than in any previous year, with the green taxonomy, the direct power purchase mechanism, extended producer responsibility rules, and Resolution 68 on private sector development all issued within 12 months.

Second, companies and investors are already planning around deadlines in the next three years, including the EU's Carbon Border Adjustment Mechanism (CBAM) for exporters to Europe and Vietnam's mandatory carbon market, scheduled for 2028.

Third, the funding decline raises the question of whether 2025 was a temporary dip that calls for patience or a sign of lasting gaps that call for new financing tools and institutions.

POLICY AND DEADLINE TIMELINE



3. Methodology & Limitations

3.1 RESEARCH QUESTIONS

This report builds on the Climate Tech Funding Ecosystem (CT-FE) 2025 Report, focusing on answering two questions. What happened to climate tech funding in Vietnam between 2024 and 2025? And why did the numbers move the way they did? It combines stakeholder interviews, survey responses, and secondary data analysis.

3.2 LIMITATIONS

Appendix C.8 sets out the limitations that apply across the report series. Three are particularly relevant to this report.

- The market is small, so a single deal can cause a large percentage change.
- The deal record covers only publicly disclosed financing, and interviews identified at least one unreported 2025 seed round.
- Only one commercial bank took part in the research (two survey responses, both from the same bank), so banking evidence is not representative of the sector.



4. Key Findings

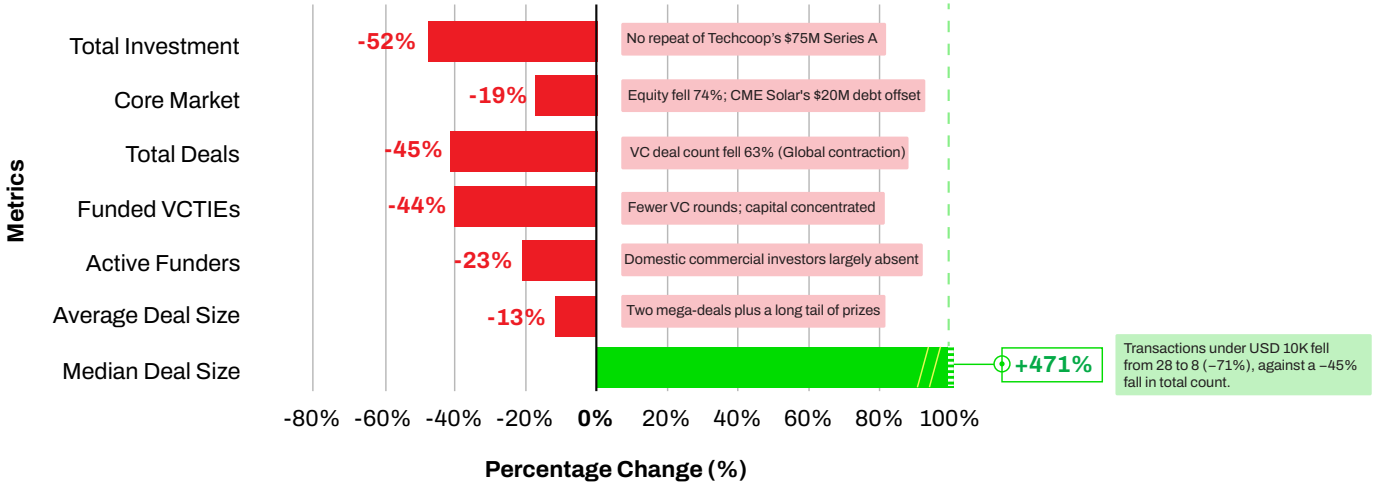


4.1 FUNDING ACTIVITY & DEAL TRENDS FROM 2024 TO 2025

Table 1 sets out how the market changed. Total funding fell 52% between 2024 and 2025, but excluding each year's single largest deal, the core market fell 19%, from USD 34.2M to USD 27.86M. The mix also shifted from equity toward debt.

METRIC	2024	2025	CHANGE	DRIVER
Total investment	**USD 104.20M**	**USD 49.86M**	**-52%**	No repeat of TechCoop's USD 70M Series A
Core market (excl TechCoop's USD 70M and Dat Bike's USD 22M)	**USD 34.20M**	**USD 27.86M**	**-19%**	Core equity fell 74%; CME Solar's USD 20M debt facility offset most of the loss
Total deals	**60**	**33**	**-45%**	VC deal count fell 63%; global climate tech VC contraction
Funded enterprises	**41**	**23**	**-44%**	Fewer VC rounds; capital concentrated in fewer firms
Active funders (direct investors)	**22**	**17**	**-23%**	Domestic commercial investors largely absent
Average deal size	**USD 1.74M**	**USD 1.51M**	**-13%**	Two mega-deals plus a long tail of prizes
Median deal size	**USD 3,5K**	**USD 20K**	**+471%**	The small-sized tail thinned as transactions below USD 10K fell from 28 to 8

Table 1. *Market overview, 2024 vs 2025.*



The fall does not signal a loss of investor interest. Ten of 15 funders surveyed have money set aside for climate investment in Vietnam or are evaluating the market but have not yet invested (Section 4.2).

Smaller awards fell faster than the market overall. The median transaction rose from USD 3.5K to USD 20K, and transactions below USD 10K fell 71%, against a 45% fall in all transactions. The market is still young, so yearly totals are likely to keep swinging until more mid-sized deals close.

VIETNAM CLIMATE TECH FUNDING ACTIVITY: DEAL COUNT & FUNDING VALUE (2015-2025)

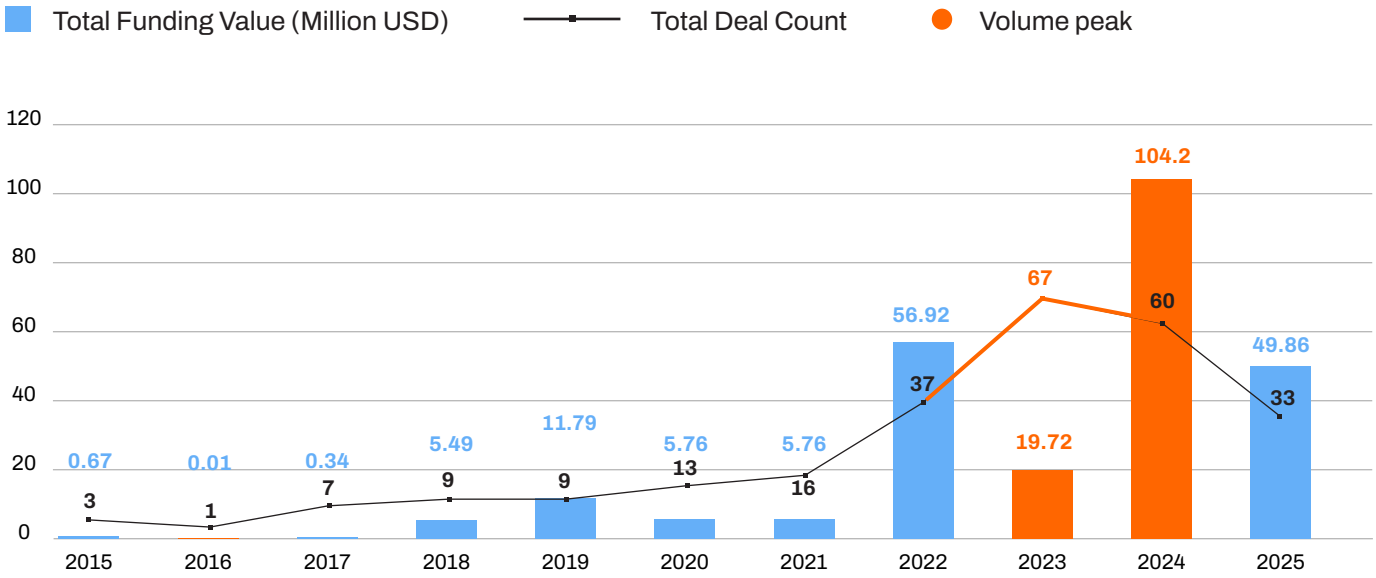


Figure 1. *Vietnam Climate Tech Funding Activity: Deal Count & Funding Value (2015-2025)*

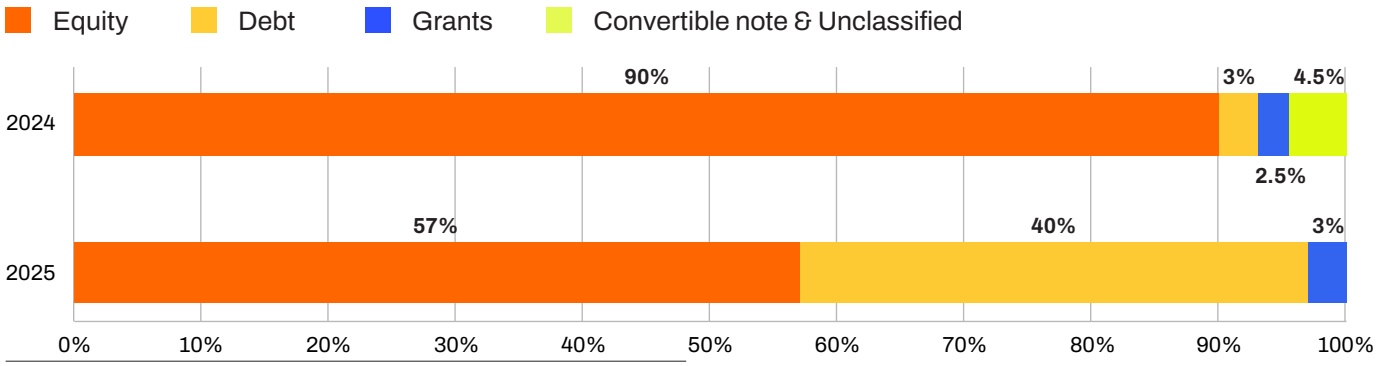
Over a longer period, 2025 is not unusual. Across 255 transactions since 2015 worth USD 260.51M, 2023 had the most deals (67, worth USD 19.72M) and 2024 had the highest value with fewer deals. Deal numbers have now fallen for two years in a row, and both years were shaped by one or two large deals. TechCoop's USD 75M across two rounds, including its USD 70M Series A, was 72% of 2024's total, while Dat Bike's USD 22M Series B (44%) and CME Solar's USD 20M loan (40%) made up 84% of 2025's. 2023 was the only recent year without a dominant deal. Annual totals therefore depend more on the size of one or two deals than on the number of deals.

Even the core figure rests on one deal. CME Solar's USD 20M loan accounts for 72% of the USD 27.86M core market. Without it the remaining market is USD 7.86M, averaging USD 254K per deal. Capital is also concentrated by location. Ho Chi Minh City and Da Nang accounted for 99% of the year's capital and 82% of its transactions, and three provinces active in 2024 recorded no activity in 2025.

4.1.1 Funding instruments: capital changed its shape

INSTRUMENT	2024	2025	CHANGE	DRIVER
VC/equity	**USD 94M, 16 deals**	**USD 28.36M, 6 deals**	**-70% value**	Global VC contraction; no mega-deal; Farming & Food Production VC down to two small early rounds
Debt financing	**USD 3M, 2 deals**	**USD 20M, 1 record**	**+567%Value**	CME Solar's single USD 20M EAAIF/PIDG facility
Grants & prizes	**USD 2.6M, 39 deals**	**USD 1.50M, 25 deals**	**-42% value**	Fewer large catalytic grants; P4G narrowed from 4 to 3 partnerships
Convertible note	**USD 4M, 1 deal**	**Undisclosed, 1 deal**	**N/A**	Instrument persists (Inflow/500 Global); value undisclosed
Other/unclassified[4]	**USD 600K, 2 deals**	**N/A**	**N/A**	Two 2024 records carry no instrument classification

***Table 2**. Funding instrument mix, 2024 vs 2025.*



4 *Two 2024 records carry no instrument type in the deal database: Rec Rec (USD 600,000) and FUWA Biotech (Fuwa3e, value undisclosed). Both are included in the 2024 total but in no instrument row.*

The fall was uneven. Equity fell 70% and grants 42%, while debt was the only type of funding that grew, rising from USD 3M to USD 20M. Equity made up 90% of disclosed value in 2024 but 57% in 2025, and debt rose from 3% to 40%. Grants held a small share throughout, 2.5% then 3%, even as their number dropped from 39 to 25. One convertible note (a loan that can later convert into shares) closed in 2025 at an undisclosed value, so the year's total is slightly understated.

Equity fell sharply. The fall in VC was steeper than the global one. Worldwide, climate tech VC deals fell 18% in 2025, while Vietnam's fell 63%. The difference is market size. With only six equity deals, two or three funds choosing to wait a year looks the same in the data as a sharp fall. The rounds that did close were larger (median USD 1.85M against USD 800K) and later-stage than 2024's, and included the first Series B since Entobel's in 2022.

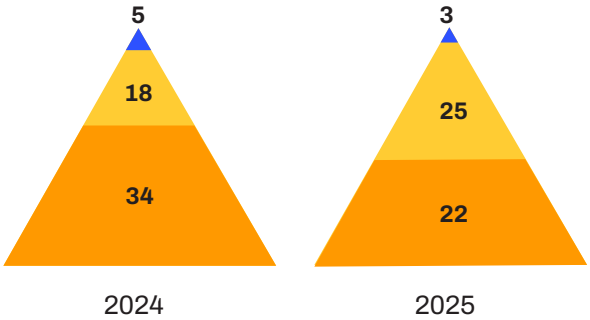
Debt arrived at scale. CME Solar's USD 20M loan from EAAIF/PIDG is one deal, not a trend. It does show that international lenders will now finance Vietnamese clean energy assets at a size no domestic venture fund could match, based on the cash those assets earn. In mature climate markets, debt, not venture equity, finances most projects. This route is not yet open to early-stage enterprises. None of the 22 surveyed enterprises had secured green bank lending, 7 said they were not eligible, and 5 had applications in progress.

"When we were able to raise our seed funding… that gave a confidence to Trine to say, okay, this company's been backed by equity, and then that helped us to get the debt… If we didn't have the equity backing, it might have been hard to get the debt."
— (Andrew Fairthorne, Stride)

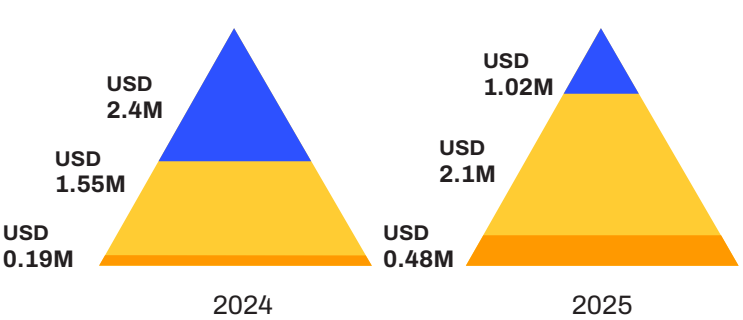
Grants fell most at the top of the range. Grants and prizes still made up three-quarters of all transactions, so they remain the main entry point for enterprises. But their value fell 42%. The number of grants of USD 300K or more fell from five worth USD 2.41M to three worth USD 1.02M, as 2024's USD 1M Temasek Foundation grant to Cricket One Asia was not repeated and P4G's awards fell from four to three. Smaller grants fell in number from 34 to 22 but rose in value from USD 190K to USD 480K. The larger grants, which prepare enterprises for investment, are the ones that shrank.

Six of 22 surveyed enterprises reported using revenue-based financing (funding repaid as a share of revenue) in 2025, which does not appear in the deal record.

GRANTS



VALUE



4.1.2 Sector distribution

SEGMENT	2024	2025	CHANGE	DRIVER
Energy Transition	USD 15.49M	USD 26.71M	+72%	CME Solar's USD 20M debt deal; Decree 57/2025 (DPPA) enabling PPAs
Mobility	USD 4.76M	USD 22.04M	+363%	Dat Bike's USD 22M Series B, single-deal effect (99.8% of segment)
Circular Economy	USD 1.43M	USD 540K	-62%	Remains grant-dependent; policy signals not converting to capital
Farming & Food	USD 82.51M	USD 530K	-99%	No TechCoop-equivalent deal; segment reverted to grant scale (10 of 12 deals were grants)
Built Environment	USD 0	USD 30K	RETURNS	Returns after a blank year at 3% of its 2023 level (USD 990K)
Blue Economy	USD 1K	Undisclosed	N/A	Second consecutive year of activity; still pre-commercial (Rongbient)
Carbon	USD 5K	USD 3.98K	-20%	Carbon market still pre-commercial; pilot not yet live

Table 3. *Capital by sector segment, 2024 vs 2025.*

Two segments took 98% of the year's capital, and in both cases a single deal explains it. Without CME Solar, Energy Transition falls from USD 26.71M to USD 6.71M. Without Dat Bike, Mobility falls from USD 22.04M to USD 40K. What looks like a large shift from Farming & Food Production into Energy Transition and Mobility is mostly the effect of two large deals in a small market.

Farming & Food Production shows the same effect in reverse. The 99% fall looks like investors leaving, but the segment had more transactions than any other in 2025, averaging roughly USD 44K each. Ten of the 12 were grants. Sector shares in this table therefore show where large checks landed, not where investors prefer to invest.



4.1.3 Stage distribution and the investor landscape: fewer, later, larger

Equity deals moved to later stages in 2025. In 2024, there were 16 equity deals, nine of which were seed and pre-seed rounds. In 2025, there were only six equity deals: one pre-seed, two seed, two Series A, and one Series B.

- The Series A-and-above share of VC deals rose from roughly 6% to 50%.
- With only six deals, one deal moves the share by 17 points, so these ratios should be read with caution.
- Two companies moved from grants to a Series A, and one reached Series B, the first since 2022.
- The investor base became smaller and more international, and domestic commercial investors were largely absent from recorded deals.

FEWER VENTURE DEALS IN 2025, BUT HAFT WERE SERIES A OR LATER

Venture captial deals by stage, 2024 and 2025
(bar height = number of deals)

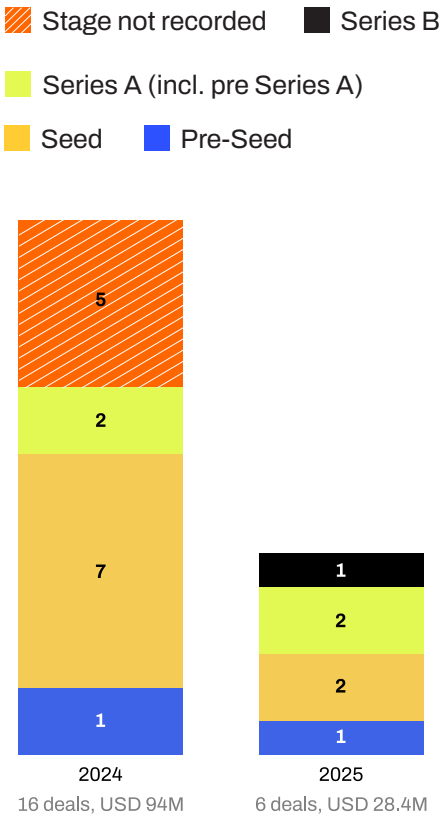


***Figure 2**. Venture capital deals by stage, 2024 and 2025. Source: CTE 2026 deal database*

4.1.4 The missing middle, measured

The missing middle is the gap between the largest grants and the smallest investment rounds. The largest grant recorded in 2025 was USD 350K and the smallest Series A was USD 1M. No recorded deal of any type closed between those two figures. The same range held four deals in 2024. The grants most enterprises can actually get are much smaller. Enterprises described domestic awards of roughly USD 1K to USD 4K, and one described typical grants as under USD 10K. For an average enterprise, the gap is therefore wider than the recorded range suggests.

"In the middle band, enterprises seeking a few hundred thousand dollars up to nearly USD 1 million, there are very few investors… Why should I invest at that stage, when too few enterprises get past the first stage and the return is not guaranteed? Instead of investing in that gap, investing at a later stage is safer."
— Representative at IIX

THE MISSING MIDDLE EMPTIED BETWEEN 2024 AND 2025

Every disclosed transaction by size, log scale. Four deals fell in the USD 350K – 1M window in 2024; none did in 2025



Excludes transactions recorded with no disclosed value: 7 of 60 in 2024, 3 of 33 in 2025. Point are jittered vertically to reduce overlap; vertical position carries no meaning.

***Figure 3**. The missing middle emptied between 2024 and 2025*

This does not necessarily mean that no capital moved in this range. Funding from angels, family, and founder networks rarely shows up in public deal records.

Fifteen of the 23 enterprises funded in 2025 (65%) received only grants or prizes. Interviewees described similar gaps at other funding stages (Section 4.2.3). Several said the shortage is less in the funding on offer than in the number of enterprises ready to use it.

Funders repeatedly pointed to weak commercial traction, financial records, governance, and the ability to pass investor checks (due diligence). The evidence cannot yet show how much of the gap comes from scarce capital, enterprise readiness, or poor matching between the two. The survey records how enterprises were funded, but not how many sought funding, how much they sought, or how many applications failed. The next edition should collect this.

4.2 WHY THE NUMBERS MOVED AND WHY SOME DID NOT

Vietnam issued 29 climate-related policies in 2025, the most on record. They included a direct power purchase mechanism, a green taxonomy, and a carbon market roadmap, alongside more than USD 15B in announced green bank credit. Yet total tracked investment fell 52% and the number of active funders fell 23%.

This section explains that gap. It looks at two groups of changes: shifts in how capital was invested (Section 4.2.2), and gaps where policy and support have not yet turned into capital (Section 4.2.3). Each is checked against stakeholder interviews and 61 survey responses. Each ends with a short statement of what the evidence shows: a lasting change, or the effect of one or two deals in a small market.

4.2.1 Sector snapshot 2025

Section 4.1.2 shows where capital landed. Table 4A shows what sits behind each sector: the policies in force, the support programs operating, and the bank credit available. The sectors with the most policy are not always the sectors with the most capital. The bank credit ratings draw mainly on one bank interview and are indicative only.

SECTOR	2025 DEALS	POLICIES IN FORCE	SUPPORT PROGRAMS	BANK CREDIT
Energy Transition	7 deals	12 policies	Deep	Active
Mobility	3 deals	3 policies	Narrow	Active
Farming & Food	12 deals	9 policies	Deep	None identified
Circular Economy	7 deals	11 policies	Narrow	Limited
Carbon	1 deal	6 policies	Minimal	None identified
Built Environment	2 deals	6 policies	Narrow	None identified
Blue Economy	1 deal	1 policy	Narrow	None identified

Table 4A. *Deal count, policy density, program depth, and bank credit sector, 2025 (Source: author's analysis)*

Energy Transition

7 deals in 2025

12 policies in force · support: deep
bank credit: active

Binding constraint

Licensing clarity and local-currency debt; renewable lending paused pending licensing.

Outlook

Positive. Funders and the bank both name energy as the continuing focus.

Mobility

3 deals in 2025

3 policies in force · support: narrow
bank credit: active

Binding constraint

Trajectory closely tied to the pace of the national EV transition.

Outlook

Difficult to forecast; depends on state-set demand, not market signals.

Farming & Food

12 deals in 2025

9 policies in force · support: deep
bank credit: none identified

Binding constraint

No graduation mechanism after grants; dual bookkeeping inflates perceived risk.

Outlook

Subdued near-term. MERF signals institutional interest but no formal investment yet.

Circular Economy

7 deals in 2025

11 policies in force · support: narrow
bank credit: limited

Binding constraint

EPR pays for collection but creates no demand pull for recycled content.

Outlook

Constrained until demand-pull instruments exist.

Carbon

1 deals in 2025

6 policies in force · support: minimal
bank credit: none identified

Binding constraint

Tradable assets do not legally exist yet; market is voluntary until 2028.

Outlook

Coiled spring. The 2028 mandatory-market trigger makes a sharp reversal likely.

Built Environment

2 deals in 2025

1 policy in force · support: narrow
bank credit: none identified

Binding constraint

Underwriting does not yet recognise technology, contracts or future cash flows.

Outlook

Provisional. Thinnest evidence base of any sector in this dataset.

Blue Economy

1 deals in 2025

National Action Plan on Blue Carbon in developing
support: narrow
bank credit: none identified

Binding constraint

Absence of a second enterprise in the pipeline, not absence of funder interest.

Outlook

Latent demand. Most-cited candidate for a first blended-finance test case.



Table 4B. *Sector highlights, 2025*

4.2.2 Shifts in how capital was invested

S1. VC deal collapse:

16 deals to 6 deals, capital down 70 percent

Venture equity fell from USD 94M across 16 deals to USD 28.36M across 6. Interviewees pointed to five causes.

- **First**, investors moved to later stages. ADB Ventures reports: “There is a big gap in seed financing. Many investors who previously did seed stage have moved to Series A or B” (Pang, ADB Ventures).

- **Second**, funds ran out of capital. Nuoa, a carbon accounting company that raised capital in Europe after finding the local market closed, observed that

  “VC funds basically rarely had money left; those that raised in earlier rounds had spent it all by last year”
  — (Hieu Dinh, Nuoa).

  He expects local funding to stay tight for a further three to four years.

- **Third**, interest rates rose. EnFarm noted: “Bank interest rates are too high, too attractive. That makes investment decisions much harder to reach” (Trang Vuong, EnFarm).

- **Fourth**, climate lost appeal as an investment label. ADB Ventures notes: “The pullback in early-stage capital has been particularly severe for climate tech, whose share of total VC investment in Southeast Asia has declined significantly” (Pang, ADB Ventures). SmartSolar’s founder described 2025 as “a general VC downturn” in which the best startups can still raise but the average one cannot.

- **Fifth**, compliance took priority over growth for some enterprises. CARE reports that tax, compliance, and digitalization rules have weighed more heavily on enterprises since 2025:

  “The issue isn’t capital much now, it’s compliance. They need to make sure they’re operating correctly first, they’re not thinking about operating bigger”
  — (CARE).

  Green Transition Hub expects this pressure to grow as EU rules on deforestation, carbon (CBAM), and product design take effect:

  “These regulations won’t be withdrawn, they’ll expand”
  — (Bao Nguyen, Green Transition Hub).

The survey shows the same picture. Six of 15 funders completed no Vietnam climate tech deals or grants in 2024 and 2025, and another 6 completed only 1 or 2. Eleven of 22 surveyed enterprises funded themselves in 2025 (bootstrapping) and only 4 received equity investment.

WHAT THE EVIDENCE SHOWS:

The fall in venture deals is real. It reflects a global downturn combined with local conditions that no single deal explains. The recorded count is slightly low, as one investor disclosed an unannounced 2025 seed round of about USD 1.5M in rooftop solar. The direction is clear but the exact size is not.

S2. Domestic investor participation:

Present to largely absent

Domestic investors were largely absent from recorded 2025 VC deals. Interviews suggest this is true of formal deals but not of domestic capital as a whole.

Domestic money did not leave. It moved through channels that deal databases do not capture. ANGELS 4 US, a domestic seed funder and venture builder, describes the strongest small enterprises deliberately avoiding formal channels:

“These are enterprises that do not raise VC or private equity at all; their networks, family and friends, pool capital in. Banks come asking to lend to them and they do not even need it” — (Tuan Anh Phan, ANGELS 4 US).

Nuoa’s early capital came from local entrepreneurs rather than funds. The line between domestic and foreign is also blurred. Clime Capital, one of the most active investors, is domestically operated but internationally funded.

The absence is partially real. IIX notes that early-stage climate risk is more than most domestic institutional investors will take on. The founder of Rongbient observes that roughly 30 active domestic funds work more with international co-investors than they did five years ago, but focus on proven companies.

WHAT THE EVIDENCE SHOWS:

Domestic institutional investors largely withdrew from early-stage climate VC. Informal domestic capital from family, angels, and other entrepreneurs continued, but deal tracking does not record it.

S3. Sector rotation:

Energy Transition leads and Farming & Food Production falls back to grant scale

Energy Transition led every segment in 2025, raising USD 26.71M, up 72%. CME Solar's USD 20M loan made up 75% of that, but the remaining USD 6.71M came from six further deals, including SmartSolar's USD 1.85M seed round and Series A rounds for Stride and Alternō. Three of the year's six venture deals were in this segment, along with the year's only infrastructure loan. Twelve of the year's 29 policies also apply to it. The capital is concentrated in solar, however, and energy efficiency enterprises in the same sector received only grants in 2025. same segment recorded no non-grant funding in 2025 (see G7).

Farming & Food Production's fall from USD 82.51M to USD 530K mostly reflects one deal. 2024's total was dominated by TechCoop's USD 70M Series A, and 2025 had no equivalent. But investors did also pull back from the sector. EnFarm's founder links this to the eFishery case, in which a leading regional agritech company was found to have falsified its financial reports:

"Events like these shook the agritech and climate tech world. They eroded investor trust and made screening and due diligence much stricter" — (Trang Vuong, EnFarm).

ADB Ventures adds that "investor sentiment has been further weakened by a series of governance issues" (Pang, ADB Ventures). Beacon Fund notes that Vietnamese agricultural products are largely commodity-priced with thin margins, which makes the sector hard to invest in.

The result is a sector mainly funded by grants. Ten of the segment's 12 transactions were grants, averaging roughly USD 52K (USD 44K across all 12 deals), and the two equity deals were pre-seed and seed. The sector stayed active, with more transactions than any other in 2025, but larger investments stopped. G4 examines why grant recipients have not moved on to investment.

WHAT THE EVIDENCE SHOWS:

The move between sectors is real, but one large deal in each year makes it look bigger than it is. Energy Transition's lead rests on several deals, several types of funding, and two years of growth, so it is the firmest sector trend in the data. Farming & Food Production will probably remain at grant scale for more than a year, given weaker investor trust and thin margins, but it is still the most active sector by number of deals.



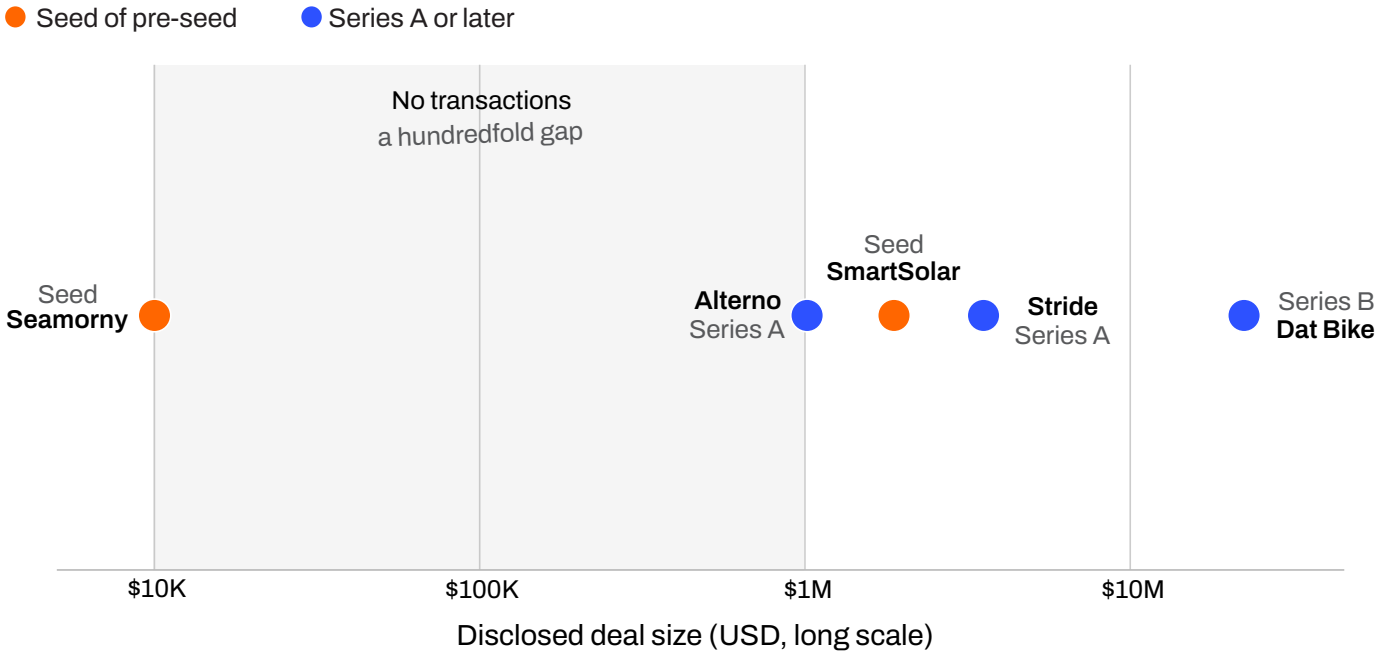
S4. Shift to later stages:

Series A+ share of VC deals rose from 6% to 50%

Half of 2025's six venture deals were Series A or later, against roughly 6% of 2024's 16. With so few deals the ratio is not reliable. The six also fall into two groups. Three were rounds at Series A or above. The other three were pre-seed or seed, ranging from USD 10K (Seamorny) to USD 1.85M (SmartSolar).

VIETNAM'S 2025 VENTURE DEALS CLUSTER AT TWO ENDS, WITH NOTHING BETWEEN

All six venture transactions by disclosed size, log scale. Color shows funding stage



SinhKe (pre-seed) is recorded with no disclosed value and is not plotted. Note that SmartSolar, a seed round, is larger than Alterno's Series A – deal size and stage label do not align.

***Figure 4**. Venture capital deals by disclosed size and stage, 2025. Source: CTE 2026 deal database.*

The three later-stage deals were each built over years through existing relationships. Alternō's Series A with UntroD and ADB Ventures grew out of the Tech Planter competition and multiple small earlier investments, and remains UntroD's only Vietnam deal. Stride's Series A with Clime Capital and UOB Ventures Management followed a three-year relationship. Dat Bike's Series B followed three earlier rounds led by Jungle Ventures, which also joined the Series B. These deals reflect long relationships, not an open market for Series A funding.

Among equity deals alone, nothing closed between USD 10K and USD 1M in 2025, a wider version of the missing middle. The shift also partly reflects which companies survived. Rongbient's founder accepts that larger average deals may mean fewer startups are surviving, not that the market is maturing. Nine of 15 surveyed funders say they prefer seed or pre-seed and 8 prefer Series A, but ADB Ventures reports that seed investors have in practice moved to later stages.



WHAT THE EVIDENCE SHOWS:

The ratio is unreliable with only six deals. The behavior behind it is real. Investors focused on proven, later-stage companies they already knew, which points to caution more than to a maturing market.

S5. Debt financing:

USD 3M to USD 20M, up 567%

The 567% increase in debt financing is one deal, CME Solar's USD 20M loan from EAAIF/PIDG. The figure is not a trend, but the direction it points to is well supported.

The solar companies interviewed each arrived at the same approach, pairing equity with debt.

- Stride uses equity to secure debt, and debt to attract further equity. Its lenders are international specialists because, in the company's words,

  "domestic bank green lending programs are designed primarily for large project finance (utility-scale or industrial assets) and not distributed rooftop solar portfolios owned by foreign holding companies"
  — (Stride).

- SmartSolar, which secured VC equity in 2025, said of domestic lending,

  "Banks seem pretty difficult to raise from in Vietnam. I honestly don't know many people who have successfully raised funding from banks"
  — (Kevin Junker, SmartSolar).

- CAS Energy's main funding is a loan from Beacon Fund, which includes the market's first interest rate reduction linked to gender.

- Wavemaker invested in XSolar because its model combines equity with bank loans in Vietnamese dong.

Beacon Fund, the country's first private SME debt fund, explains,

"Unlike banks, we don't focus on real estate collateral when we make our lending decisions. We basically focus on the underlying capability of the business, and for us, as a lender, that means cash flow"
— (Shuyin Tang, Beacon Fund).

The debt growth recorded in 2025 came through international lenders. Domestic banks are therefore a large untapped source of climate finance, and G3 examines what would open them up.

WHAT THE EVIDENCE SHOWS:

One deal produced the 567% figure, but the direction is real. Debt suits climate businesses with physical assets, and pairing equity with specialist debt is becoming the usual route for solar companies. There is not yet a broad debt market, but there is now a route to debt for mature companies.

S6. Investor base:

repeat regional investors to a broader international mix

New international investors joined in 2025 (Picus, Energetik, Cathay, Rebright, UntroD, UOB Venture Management, EAAIF). Interviews show that each arrived for its own specific reasons.

UntroD, the Japanese deep-tech fund that led Alternō's Series A, had not previously invested in Vietnam. It entered because its parent company's Tech Planter program had known Alternō since its competition days. Alternō's founder also credits timing, as the Japanese government is encouraging investment in ASEAN energy. Separately, policy changes in Indonesia led some investors to leave that market, and some of that capital moved to Vietnam.

Existing regional investors also stayed active. Clime Capital led Stride's Series A and continued to invest in its five Vietnam companies. Sarona says of the new entrants:

"They are looking at Vietnam like China or India more than a decade ago… they look purely for commercial"
— (Amy Do, Sarona Asset Management)

This brings new capital but concentrates it in the few companies with the strongest commercial case.

WHAT THE EVIDENCE SHOWS:

New international investors did arrive. But each came through a specific relationship, not a climate strategy for Vietnam, so it is too early to call this a lasting change. Whether these investors make second deals is the test for 2026.

4.2.3 Gaps where policy and support have not yet turned into capital



G1. Circular Economy

Circular Economy drew 11 of the 29 policies issued in 2025, second only to Energy Transition, and recorded USD 540K across seven transactions involving five enterprises. No equity round was disclosed. The only non-grant deal was a convertible note of undisclosed value. Interviews point to three reasons.

The first is that the sector does not suit venture capital. Circulate Capital stated that

“Developing the circular economy is a supply chain and infrastructure play, not a tech venture model”
— (Amandine Joly, Circulate Capital)

It recommends helping these businesses become ready for commercial loans.

The second is the design of the extended producer responsibility (EPR) rules. EPR pays for collection but creates no demand for recycled materials. A company gains no commercial benefit from using recycled content in its packaging (regional circular economy investor). Wavemaker notes that recycled plastic costs twice as much as virgin plastic, so it is bought for small image-building pilots and never at scale. Adding recycled-content requirements to EPR would be the most effective change in this sector.

The third is the small number of enterprises ready for investment. VECA, one of the sector’s better-known platforms, has never raised capital. It judges that its product is not yet ready for the market and that “this is not a cheap-money era suited to startups at the early stage” (Bao Bui, VECA).

Loopnet runs on bootstrapping and a USD 13K to USD 14K UNDP grant. It reports that its data-based model gives lenders nothing to secure a loan against. Both founders say Resolution 68 is making the sector more formal, and that foreign investors have started to show interest.

WHAT THE EVIDENCE SHOWS:

A lasting gap. It is more likely to close through measures that create demand, such as recycled-content requirements and certification, and through debt finance, than through venture equity or further supply-side policy.

G2. Carbon

Carbon credits cannot yet be traded in a regulated Vietnamese market. Vietnam's carbon market remains voluntary, and companies generating credits need a third-party verifier to sell them internationally (impact investment intermediary). The mandatory market that would create reliable domestic demand is scheduled for 2028, and the pilot had not started during the study period.

Enterprises are preparing, not yet trading. CAS Energy plans for carbon credit sales as future revenue once the mandatory market starts. Nuoa, one of the sector's most commercially advanced companies, earns its revenue from European supply chain compliance reporting, not from Vietnamese carbon trading, and raises its capital in Europe for the same reason.

WHAT THE EVIDENCE SHOWS:

This gap differs from the others. Investors are waiting for a market with a published start date. With strong investor interest and a 2028 start, Carbon is the sector most likely to move quickly. Building verification capacity before then is the main preparatory task.

G3. Built Environment

Built Environment attracted USD 30K in 2025 across two grants, both through the AIS4EE program. That is a return after a year with no funding, at 3% of the sector's 2023 level. Six policy instruments apply to the sector, including mandatory energy-efficiency rules and the green taxonomy. Regulation covers the sector, but finance has not yet followed.

Certification does not appear to be the main barrier. Vietnam has recognized green-building certification schemes, and a commercial bank interviewee described verification capacity as relatively strong. The question is what happens after a project is classed as green, and whether banks can lend to the enterprises delivering these solutions.

Evidence for the Built Environment itself is thin. Only two enterprise interviews cover it and 3 of 15 surveyed funders list it. But built-environment solutions, such as heating and cooling upgrades, smart meters, and rooftop installations, use the same business models as the rest of climate tech, so evidence from other sectors is relevant.

The barrier is how banks assess loans. Domestic banks have introduced green-credit products, but they still lend in the conventional way. The interest rate may be labeled green, but access still depends on land, factories, established cash flow, and simple corporate structures. Five enterprises show the same barrier (Table 5).

VCTIES	SECTOR AND PROFILE	WHY BANK CREDIT DOES NOT YET REACH IT
Rongbient	Blue economy biotech, pre-revenue	**"In the first four to five years, when the company has no collateral, it is almost certain that it cannot raise bank financing" — (Cuong Ha, Rongbient, translated from Vietnamese)** Capital is unavailable precisely when laboratories, equipment, pilot facilities, certification and initial production need funding
Fuwa3e	Circular Economy, operating revenue	Approached domestic banks after seeing advertised preferential green-credit products. Available products still required pledged assets. Frontline credit officers were not always able to identify a corresponding programme. Unsecured lending required more than two years of stable cash flow, and additional fees raised the effective borrowing cost
Stride	Distributed solar, owns identifiable physical assets and recurring customer payments	Local-currency borrowing would match revenue and cut FX risk, but banks were less familiar with distributed-solar portfolios, foreign holding structures, separated operating and asset-owning entities and project finance, preferring collateral, land and factory
LC Tech	Energy efficiency, collateral-light hardware and software provider	Green-finance programmes fund factories purchasing energy-efficient technologies, while the company developing and supplying them remains ineligible. Capital is available to adopt the solution, not to manufacture and scale it
CAS Energy	Energy services, established and cash-flow positive	Reachable by private debt, which widens the evidence base to customer contracts, recurring revenue and operating cash flow. But **"there is no room for bad debt" — (Shuyin Tang, Beacon Fund)**, ticket sizes remain small, and pre-revenue firms stay outside

***Table 5**. Collateral and certification barriers across five enterprises. Source: CTE interviews, 2026.*

Rongbient

no collateral in the first four to five years

Fuwa3e ENZYME CLEANER

products announced at head office not operational at branch level

stride

banks unfamiliar with distributed-solar portfolios and holding structures

LC

taxonomy recognizes the adopter, not the technology provider

CASENERGY

reachable by private debt, but small tickets and "no room for bad debt"

Survey stat: 6 of 18 enterprises cite collateral requirements, the most-cited reason for not pursuing green bank lending.

Fuwa3e and Stride show two different challenges. One is a gap between products announced by a bank's head office and products actually offered at its branches. The other is a narrow view of which assets and cash flows a bank can lend against. LC Tech shows a third: Lending products that recognize only the owner of a physical green asset exclude the technology providers that supply it.

This is starting to change. A commercial bank reports that some domestic banks are building specialized teams and working-capital products for startups and green enterprises.

WHAT THE EVIDENCE SHOWS:

A real barrier that applies across sectors. The problem is not a shortage of green loan products. It is a lending model based on property collateral, which does not yet recognize technology, contracts, or predictable future cash flows. In the survey, 6 of 18 enterprises gave collateral requirements as their main reason for not seeking green bank loans, the most common reason. Conclusions for the Built Environment itself remain provisional.

G4. Farming & Food Production

Farming & Food Production had more transactions in 2025 than any other sector, and two were equity deals. One was disclosed at USD 10K, and the other, a pre-seed round through Antler, was not disclosed. The smallest Series A is around USD 1M, so these enterprises have a long way to go before a larger round.

On readiness, investors describe some enterprises relying on repeated grants in place of commercial growth. ANGELS 4 US sees companies submitting the same product to one program after another, while Clime Capital describes enterprises staying small on grants without building the financial discipline investors expect. IIX reports that many early-stage agri-food enterprises struggle to find enough funding and fail within their first few years. Grants can keep an enterprise running without preparing it for investment.

On sector economics, commodity prices and thin margins make Farming & Food Production less attractive to investors (Beacon Fund).
On the cost of proving readiness, international investors bring more demanding financial, ESG, and impact-reporting requirements. Stride had to prepare audited accounts under both international and Vietnamese standards for its investors.
Volterra struggles to verify its impact across more than 50 data sources without a common reporting standard. Investors carry a cost too. Beacon Fund says inconsistent local financial practices make enterprises slower and riskier to assess.

Grants can still help when they are designed to lead somewhere. EnFarm's USD 350K P4G grant combined funding with technical support. Acumen ties its grants to milestones and reports that 1 in 3 of its Acumen Angels grantees goes on to raise commercial funding. The need is not for more grants, but for grants that prepare enterprises for the next stage of funding.

WHAT THE EVIDENCE SHOWS:

Few Farming & Food Production enterprises move beyond small early rounds, but the sector evidence is too thin to say why. Evidence from across the ecosystem points to enterprise readiness, sector economics, and the rising cost of investor checks. This is separate from the loss of trust described in S3. Even if trust returns, enterprises that are not prepared for investment will stay where they are.

G5. Energy efficiency

Vietnam's energy transition investment is gaining momentum, led by electric mobility, followed by rooftop solar and energy storage. Energy efficiency, however, remains harder to finance despite its potential to deliver measurable cost savings and emissions reductions.

Jessica Nga Tran, Vietnam Country Manager at Clime Capital, which invests in three energy efficiency companies as well as solar businesses, sees the gap as a question of bankability. "Rooftop solar benefits from mature technology, relatively predictable investment costs and a business case that customers can readily assess. Energy efficiency is more complex: savings depend on operational improvements and must be measured and verified over time."



Solar Energy (The Fast Seller)

Immediate ~30% EVN bill cut
Instant financial relief from day one.

Instant customer commitment
High-incentive math drives immediate sales.

Intuitive, plug-and-play math
Clear ROI with zero operational friction.

No behavioral habits changed
Easy adoption with zero learning curve.



Energy Efficiency (The Hard Sell)

Non-mandatory 2–3% target
Modest, long-term incremental gains.

Deep system intervention
Requires structural and technical changes.

Must be proven with data
Savings are invisible without measurement.

Extensive customer education
Takes time to shift end-user awareness..

Efficiency businesses describe the same pattern. EESCO, which improves the efficiency of building cooling systems, notes that customers can easily measure savings from solar but need a detailed assessment for efficiency. It adds that clearer minimum-performance requirements, as in Singapore, would increase demand. IoTeamVN sees demand mainly where an outside requirement creates it, such as international buyers asking suppliers for energy data, or energy audits for large users.

Financing is a second challenge. Under the energy-service-company (ESCO) model, the provider pays for the upgrade and is repaid from the savings. EESCO sees this as a workable route to market, but the provider needs capital upfront despite limited collateral and a short track record.



EESCO has found bank loans hard to get, and venture investors want a longer track record. Its founder sees convertible financing as a better fit, but has not yet found an investor offering it. The challenge is turning future savings into credible cash flows and financing structures that lenders can underwrite, particularly where conventional collateral is limited. IoTeamVN works with project partners that bring both customers and financing. For both, grants remain important for proving their solutions before private capital arrives.

However, Vietnam has begun establishing a legal framework for energy service companies. The next step is effective implementation, supported by robust measurement and verification, appropriate risk-sharing and financing mechanisms that recognise verified energy savings. This is essential to bridge the gap between the sector's economic potential and its ability to attract commercial capital.

WHAT THE EVIDENCE SHOWS:

A real gap that can be addressed. Efficiency providers need clearer demand, more energy-audit and demonstration projects, and financing that fits the ESCO model.

G6. Policy conversion

Vietnam issued 29 climate and innovation policies in 2025, mostly on Energy Transition and Circular Economy. The question is what decides how quickly a policy reaches the enterprises it is meant for. Enterprises named four policies that had already made a difference to them.

.

- A provincial resolution in Da Nang exempts personal income tax on employee salaries. This helps from the first payroll, unlike corporate tax relief, which only helps once an enterprise is profitable.

- Announced electric vehicle rules and low-emission zone roadmaps in Hanoi and Ho Chi Minh City raised demand directly, even before enforcement, especially for converting existing vehicles, where several enterprises in this study work.

- A circular moved peak electricity pricing from the morning to the evening, creating direct demand for energy storage.

- The OCOP (One Commune One Product) program reaches enterprises through an established provincial channel, and enterprises in it know what is available to them.

Each delivers value directly to the enterprise, through cash, demand, or an existing channel, with no separate step to qualify. This is the most useful lesson in the policy evidence, and it can be applied to other policies.

The steps from policy to uptake

A policy passes through four steps before an enterprise can use it. It is issued, implementing guidance sets out who qualifies and how, a bank or agency builds the product, and the enterprise learns of it and applies. Each step takes time, and together they usually take longer than a year.

The 2025 policies are at different points along this path. The green taxonomy (Decision 21/2025) provides for a 2% interest rate reduction on qualifying loans. No enterprise in this study had received it yet, and none of the 22 surveyed enterprises secured a green bank loan in 2025. This reflects how recently the policy was issued, not a flaw in its design.

CONVERSION SEQUENCE



Channels determine reach

Where enterprises knew about available programs, an active channel was present. The clearest example is OCOP, where a provincial department runs a direct messaging group with the four-star enterprises in its area and sends programs to them as they open. Enterprises in sectors without such a channel more often learned of programs after they had closed.

Two other factors affect reach. Several state schemes are reached through an introducing partner, such as an accelerator or ministry, which works well for enterprises already connected to one. The 2025 provincial mergers also mean that enterprise support is being set up again under new departments. As these settle, re-notifying enterprises that had already qualified would be a low-cost way to deliver on commitments already made.

Finding the right policy

Enterprises say the difficulty is not the number of policies but finding the ones that fit their business. NIC reports that legal advice is the most common first request from foreign-invested enterprises, and that domestic enterprises are in a similar position. Investors add that implementing guidance has two readers, the enterprise applying and the officer handling a new policy for the first time. Guidance written for both speeds things up.

WHAT THE EVIDENCE SHOWS:

A real gap that better design and delivery can address, without more policy. Two steps have near-term potential. One is designing policies to deliver value directly, like the four that worked. The other is extending OCOP-style notification to climate tech enterprises in sectors that lack it.

G7. The missing middle

Most of the other gaps feed into this one. The gap between the largest grants and the smallest Series A widened in 2025. The evidence shows why it persists, who it affects most, and what it took for the few enterprises that crossed it.

Beacon Fund exists because of it:

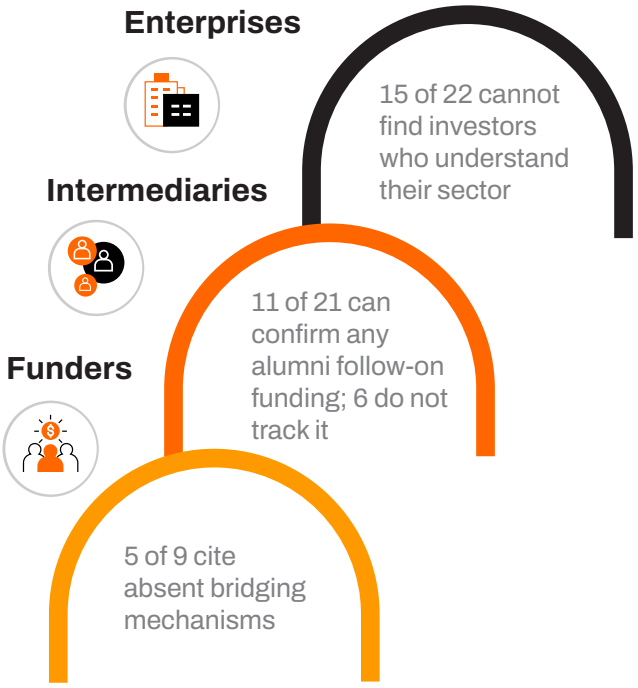
“The reason why we started Beacon was trying to solve this missing middle gap… companies which didn’t really fit the VC growth profile, were too small for private equity, and then also struggled to access sufficient capital from banks” — (Shuyin Tang, Beacon Fund).

Sweef Capital has operated in Vietnam for five years but has yet to complete a climate deal:

“We’ve just had a really hard time finding companies that are kind of investable at the level that we invest in” — (Brianna Losoya-Evora, Sweef Capital)

It responded by building a training program for enterprises. IIX describes plenty of funding from Series A onward but very few investors at the stage before it.

The survey confirms the gap from three sides. Five of nine funders say the lack of bridging finance is a main reason enterprises fail to progress, and eight of nine say enterprises are not yet investment-ready. Only 11 of the 21 intermediaries who answered can confirm that any of their alumni raised follow-on funding, and 6 do not track it. Fifteen of 22 enterprises cite difficulty finding investors who understand their sector, ahead of due-diligence requirements (6 of 22) and a lack of follow-on capital (6 of 22). Funders and enterprises describe the same gap from opposite sides.

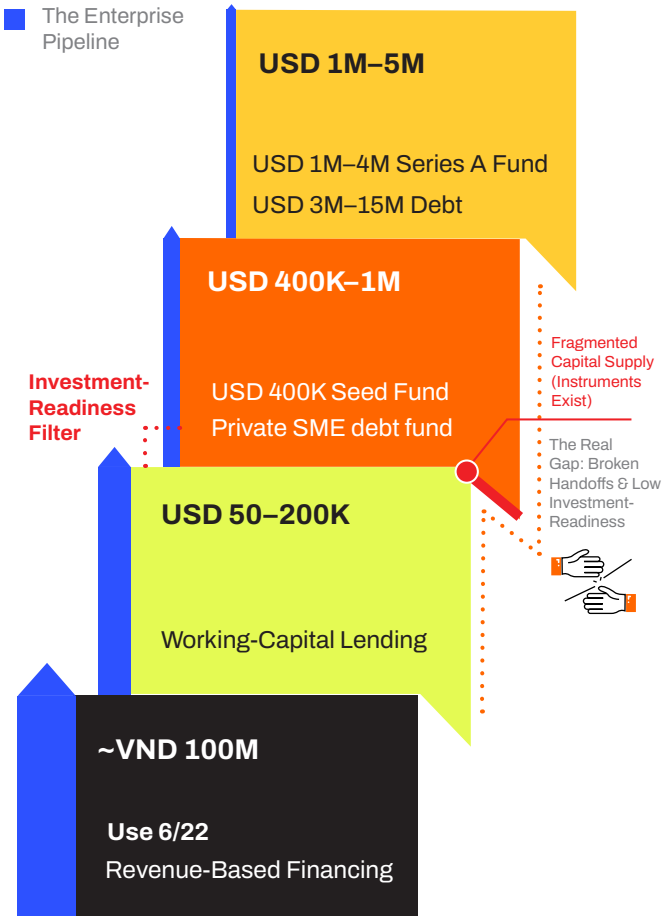


Angel and informal private capital is hard to observe. ANGELS 4 US described enterprises raising money from founders' personal networks, family, and other entrepreneurs outside of formal channels, and ADB Ventures named angels and accelerators as important sources of seed-stage capital. These channels may finance part of the gap, but this research cannot measure them. The missing middle is therefore partly a shortage of visible, organized finance, not proof that no capital exists in this range.

The gap appears at several levels. Stakeholders described the same break at roughly VND 100M (above microfinance but below typical bank credit), USD 50K to USD 200K, USD 400K to USD 1M, and USD 1M to USD 5M. Each institution sees it where its own products stop meeting enterprise needs.

Financing products exist across this range. Examples include a USD 400K seed fund and a USD 1M to USD 4M Series A fund at one development-finance-backed investor, USD 50K to USD 200K working-capital loans and USD 3M to USD 15M debt at one impact platform, a private debt fund for cash-flow-positive SMEs, and revenue-based financing already used by 6 of 22 surveyed enterprises. The bigger constraint is the small number of enterprises ready to use them, and the weak links between grant-makers, funds, and banks.

ANALYZING THE FINANCING GAP AND ECOSYSTEM LINKAGES FOR SMES



Capital-intensive enterprises are affected most. Many Southeast Asian funds were built around software and e-commerce and are less comfortable with the longer payback periods, supply chain risks, and lower early margins of climate hardware. Cenergy, an energy storage startup, put it this way,

"VC investors are used to SaaS/ IT focused on opex... Climate tech requires massive capex, demanding a long-term vision that VCs are not yet ready for"
— (Steve Trinh, Cenergy).

Sweef Capital described its colleagues' caution about high-capex companies as

"a leftover from an older investing model"
— (Brianna Losoya-Evora, Sweef Capital).

Because most climate solutions are physical, this steers capital toward software and widens the gap where the transition most needs it closed.

Enterprises also play a part. Beacon Fund observes that founders who have raised only grants often struggle with the terms of commercial capital:

"There's a lot of terms and conditions attached... I feel a lot of entrepreneurs kind of get stuck there, when in the past they've basically just been able to raise grant capital"
— (Shuyin Tang, Beacon Fund).

Equity means sharing ownership and control. Debt means interest, reporting, and repayment.



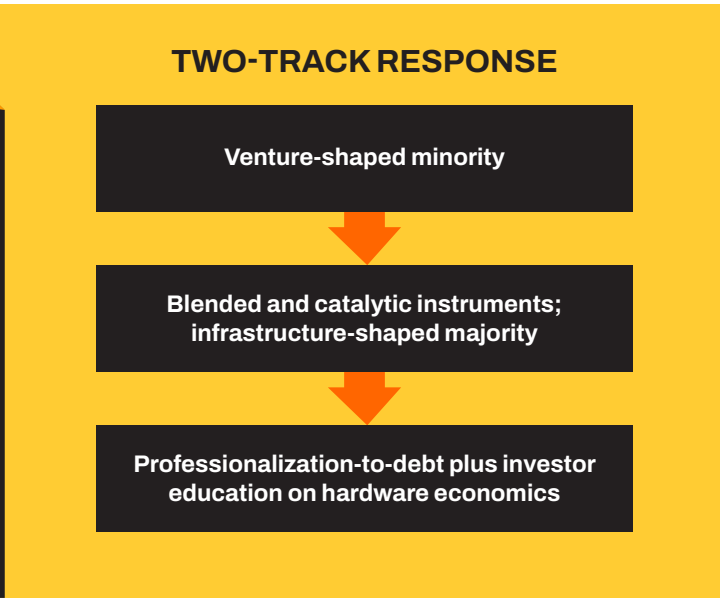
***Figure 5**. Stride's sequenced pathway across the missing middle*

Stride shows how the gap can be crossed in stages. Seed equity from Touchstone Partners and Clime Capital in 2023 covered early risk and showed investor confidence. A P4G grant then funded its technology platform. The equity backing helped Stride secure a loan from a specialist renewable-energy lender, and using that loan strengthened its Series A. Alternō reached Series A by a different route, through years of relationship-building and competition wins. Both are exceptions. In a working market, such paths would be routine.

What is missing are the financing tools that would make this path repeatable: venture debt, revenue-based financing, standardized convertible notes, first-loss structures, and blended funds such as Mekong Capital's MERF, which combines donor and commercial capital.

WHAT THE EVIDENCE SHOWS:

The missing middle is the main constraint, and it grew in 2025. It needs two responses. The smaller group of enterprises suited to venture capital needs blended funds, first-loss structures, and co-investment. The larger group with physical assets needs a route to debt finance and investors who understand hardware. Grant programs also need to prepare enterprises for the next stage, not for more grants.

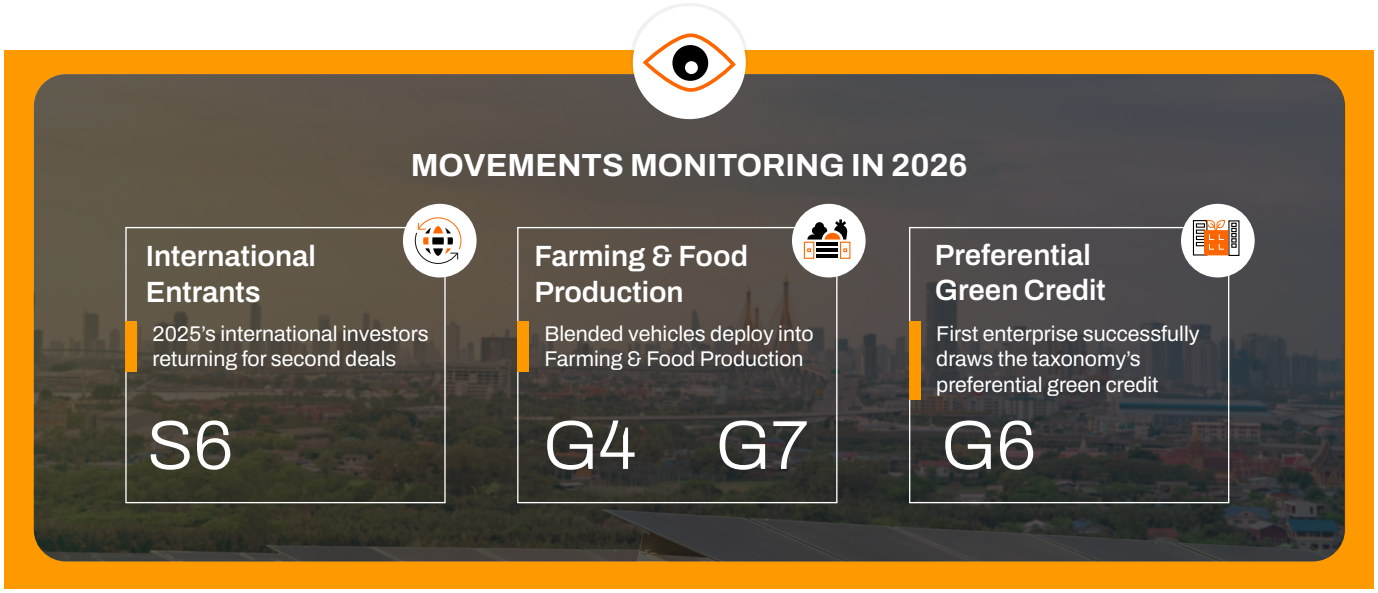


4.2.4 Synthesis: what moved, what did not, and what to watch

Taken together, these changes explain how a 52% fall in capital and a record policy year happened at once. Policy sent clear signals and helped draw regional capital toward Vietnam, but implementing guidance and bank products take longer to arrive than investment decisions, and the financing tools that would carry enterprises from grants to commercial capital are still missing. In that setting, capital went to a few proven, later-stage companies with predictable income and existing investor relationships (Dat Bike, Alternō, Stride, CME Solar). It used debt where assets allowed and left grant-funded enterprises waiting.

The result is a two-speed market, not a simple decline. At the upper end, larger deals, later-stage rounds, international investors, and funds waiting to invest point to a maturing market. At the lower end, reliance on grants and the lack of bridging finance still hold enterprises back. The main challenge for 2026 is not only to raise more capital but to connect these two parts of the market.

Three things are worth watching in 2026: whether 2025's new international investors make second deals (S6), whether blended funds start investing in Farming & Food Production (G4, G7), and whether any enterprise receives the green taxonomy's lower interest rate (G6). Progress on any of these would show policy starting to turn into capital. Progress on none would suggest that 2025's conditions are becoming settled.



4.2.5 How to read the numbers

The 2025 numbers could give four false impressions.

The first is that 2025 marks the start of a decline. It may not. Vietnam recorded six venture capital deals in the whole year. In a market that small, two or three investors choosing to wait looks the same in the data as a sharp fall. The direction is well supported but the size is not. At least one unannounced deal came to light during this research, so the recorded count is a minimum.

The second is that the right goal is to return to 2024's total. It is not. That figure rested on a single USD 70M deal. Better signs of progress would be a first deal in the USD 350K to USD 1M range, a first enterprise receiving the taxonomy's lower interest rate, and 2025's new international investors returning for a second deal.

The third is that the concentration of capital in a few companies is a problem to be fixed. This research cannot settle that. Interviewees disagreed. Concentration may mean that money is going to the enterprises with the strongest commercial case, or that smaller enterprises cannot reach the capital that exists. The recommendations in Section 5 aim to widen access, which both views support.

The fourth is that enterprises absent from the deal record received no financing at all. Some did, through channels the record does not track. EnFarm earns revenue from state research contracts. Cenergy raised from domestic corporations and a provincial business association. IoTeamVN is funded through its project partners. Arup provides non-cash support such as technical review and market access. Acumen's Vietnam work draws on domestic philanthropic capital. The gap the numbers show is real, but it is likely narrower in practice.

5. Implications:

This section turns the report's findings into actions, organized by who can take them.

5.1 FOR FUNDERS AND INVESTORS

Build instruments for the USD 350K to USD 1M range

This is the missing middle, a gap which widened rather than held steady. Five of nine funders said the lack of products in this range is a main reason enterprises fail to progress. Venture debt, revenue-based financing, and standard convertible notes are the missing products. The absence of deals does not prove unmet demand, since enterprise readiness may explain part of the gap.



Deals of this size do not cover a fund's costs. Closing the gap needs low-cost (concessional) capital or shared platforms that reduce the cost per deal. **Trade-off:** Small deals have high failure rates and low returns, and not every early-stage enterprise can repay debt. This is market-building and should be treated that way.

Re-examine the capital-expenditure bias directly

For the past decade, most Southeast Asian venture funds have backed software companies, which grow cheaply and at high margins. Climate technology usually needs factories and equipment, costs more upfront, and takes longer to pay back. Some funds avoid it out of habit more than analysis. Most climate solutions are physical, so a fund that avoids capital-intensive businesses avoids most of the sector. Investment committees could ask whether they turn down hardware companies because the numbers are unattractive or because hardware feels risky.



Implementation requires hardware and manufacturing expertise that most funds lack but could be built through hiring or advisory partnerships. **Trade-off:** Hardware does take longer to pay back, and some funds cannot accommodate that.

Accept movable assets as collateral, not only land and buildings

Banks offer green-labeled credit, but security still means land, buildings, and vehicles. Machinery and equipment do not qualify, even when they are an enterprise's most valuable assets. CARE asks: "Could we look at using the enterprise's machinery or equipment as collateral? Or must it always be land, house, vehicle?" G3 shows enterprises facing this barrier. LC Tech's equipment can be financed once a customer buys it, but not when LC Tech borrows against it. Accepting machinery and equipment is a quicker fix than the cash-flow lending below, because it fits how banks already lend.



Implementation requires banks to extend their valuation and registration processes to equipment, with standards for valuing it. **Trade-off:** Machinery loses value faster than land and is harder to repossess and sell, so banks should lend a smaller share of its value than they would against property.

Lend against cash flow and contracts, not only against property

Green loan products exist, but access still depends on land and factories (G3), which most enterprises lack in their first four to five years. Private lenders show an alternative by lending against cash flow. Guarantees and new ways of assessing credit would make this practical for banks. As NIC put it, "Many climate tech startups aren't yet eligible to borrow at an early stage. So we very much need alternative credit assessment, or guarantee instruments and green finance tools."



Implementation requires banks to build experience with this kind of lending, so it will take several years. A guarantee can speed this up by covering early losses while banks gain experience. **Trade-off:** Cash-flow lending is riskier, so wider access means higher interest rates or higher losses.

5.2 FOR INTERMEDIARIES

Build a next step into grant design

Farming & Food Production had more deals than any other sector, averaging USD 44K, almost all of them grants (G4). Two or three grants a year can keep a small team going without building commercial capability. Grants should state what capability they are meant to build.



Implementation requires tracking what happens to grantees, which most programs do not do. Only 11 of the 21 intermediaries who answered could confirm any alumni raised follow-on funding, and 6 do not track it. **Trade-off:** Such criteria do not suit early research, so they should apply to grants for growing enterprises, not research funding.

Share the due-diligence burden

International investors expect documentation that most enterprises cannot yet produce. One company that closed a Series A had to prepare audited accounts under both international and Vietnamese standards for the first time (G4). Support programs can provide this help at shared cost.



Implementation requires financial expertise, program staff, and panel arrangements with audit firms, which is harder to fund than mentorship. **Trade-off:** This does not address the inconsistent financial practices that slow due diligence in the first place.

Prepare enterprises for the terms of capital, not only access to it

Founders who have raised only grants often struggle with commercial terms (G7). Equity means sharing ownership and control. Debt means reporting and repayment. Programs that prepare founders to meet investors but not to accept their terms solve only half the problem.



Implementation requires practical training on investment terms. Thirteen of 22 intermediaries currently only make introductions. **Trade-off:** Realistic expectations may put some founders off seeking commercial capital.

5.3 FOR ENTERPRISES

Plan a sequence of funding, not a single round

Few enterprises move straight from grants to a large round. Stride's path took several steps. Seed equity covered early risk and showed investor confidence, a grant funded its technology platform, the equity backing helped it secure a loan, and using that loan well strengthened its Series A. The practical lesson is to work out which type of funding suits the company's current stage and what it needs to unlock next.



Implementation requires longer-term planning and at least one investor or lender willing to provide the next step. **Trade-off:** This takes longer and involves more diligence. For a company racing to market, the delay may cost more than giving up more ownership.

Build sound financial records before investors ask for them

Due diligence quickly shows weak financial records, and international investors expect more (G4). Companies that closed later-stage rounds already had sound accounts in place. Building them early is cheaper than rebuilding them under pressure.



Implementation requires audit-grade capability, which is expensive pre-revenue and competes with product development. Shared services through programs are more realistic than building this alone. **Trade-off:** Formal accounts bring administrative costs early, and the right timing differs by company.

Match the type of funding to the business

Debt suits businesses with physical assets and contracted revenue. The rooftop solar pattern now has four Vietnamese examples (S5). Enterprises whose value lies in technology, not physical assets, should expect bank loans to be out of reach in the early years and plan for it.



Implementation requires meeting the structures and reporting that specialist lenders expect, most of whom have so far been international.
Trade-off: Debt requires repayments a company without revenue cannot make. The wrong funding at the wrong stage does more harm than giving up ownership.

6. Emerging Opportunities & 2026 Outlook

For 2026, the question is less whether the market gets back to 2024's total and more whether capital already set aside for Vietnam starts closing deals. Ten of 15 surveyed funders have money set aside for climate investment in Vietnam or are evaluating the market but have not yet invested. Putting that capital to work is faster and cheaper than attracting new capital. The gap is not between Vietnam and international investors. It is between those investors and the enterprises they would fund.

There are encouraging signs that did not appear in the 2024 data.

More types of funding are on offer. Among surveyed funders, nine named equity as a preferred type, 7 debt, 4 technical assistance, and 3 project finance, so funding can increasingly be matched to the business. New programs in 2026 add to this:

- The Green Innovation Grants Initiative (GIGI), backed by SNV, launched for clean-energy innovators.
- PwC's second Climate Finance Accelerator Vietnam cohort selected 11 low-carbon projects seeking a combined USD 352M.
- The Ministry of Finance, KOICA, and GGGI launched a joint project to strengthen climate tech investment and net-zero readiness.

Larger rounds are closing. Three of 2025's six venture deals were Series A or later, against 1 of 16 in 2024. Alternō and Stride both closed Series A rounds and Dat Bike closed a USD 22M Series B, alongside a USD 20M infrastructure loan. Fewer companies raised, but the market can now absorb larger amounts.

There is a working example of the full funding sequence. Stride moved from seed equity to a P4G grant and specialist debt, then to a Series A. No other enterprise in this study completed every step, but the route is now documented and can be repeated.

Do Ventures Fund II secured a further USD 10M commitment from Australian Development Investments, Australia's first such commitment in Vietnam.

These signs are not enough on their own. Three constraints recur across most sectors (Table 4B).

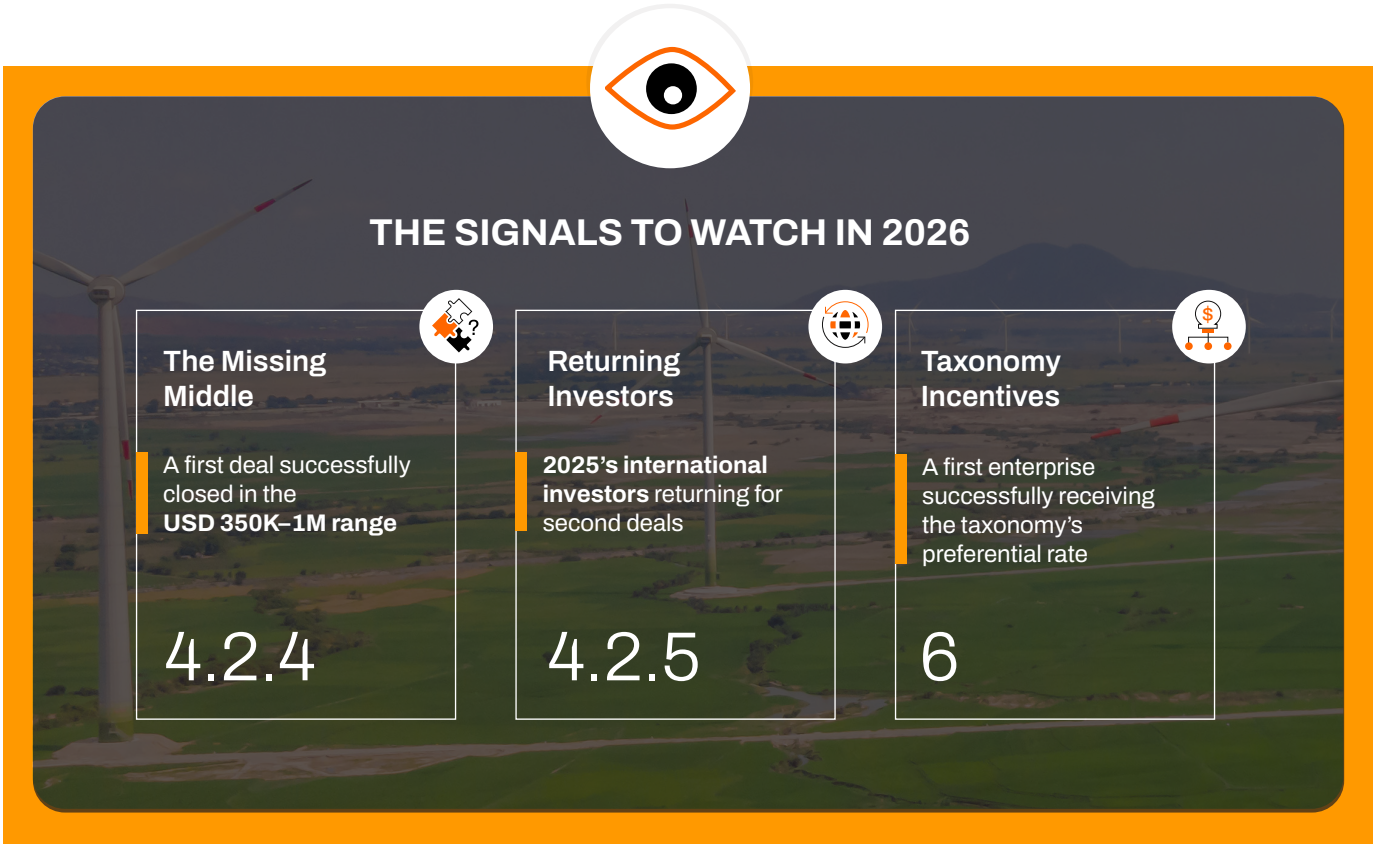
Verification capacity, which the carbon market needs in place before it becomes mandatory in 2028.

Green taxonomy criteria that are still being finalized. Circular economy definitions and the question of whether products or business models are classified are not yet settled, and no enterprise has yet received the lower interest rate. Meanwhile, the EU's CBAM took full effect in January 2026, so exporters to the EU are already being assessed.

An uncoordinated handoff between grant-makers, funds, and banks. Of 12 respondents, 8 coordinate only informally, 2 formally, and 2 would welcome a coordination mechanism.

Momentum is building, but whether it lasts depends less on new capital than on putting this infrastructure in place.

The missing middle is the clearest test. Deals between USD 350K and USD 1M fell from 4 in 2024 to none in 2025. A first deal in that range, 2025's new investors returning for a second deal, and another enterprise following the equity-then-debt path would each be a sign that the market is starting to deepen. Closing the missing middle is not only a financing goal. It decides how quickly Vietnamese climate solutions move from pilot to scale.



Reference

Legislation and policy instruments

Government of Vietnam. (2022). Decree No. 06/2022/ND-CP on mitigation of greenhouse gas emissions and
Government of Vietnam. (2022). Decree No. 06/2022/ND-CP on mitigation of greenhouse gas emissions and protection of the ozone layer.

Government of Vietnam. (2024). Decree No. 80/2024/ND-CP on the direct power purchase agreement mechanism between renewable energy generators and large electricity consumers.

Government of Vietnam. (2025). Decree No. 05/2025/ND-CP.

Government of Vietnam. (2025). Decree No. 57/2025/ND-CP dated 3 March 2025 on the direct power purchase agreement pilot program.

Government of Vietnam. (2025). Decree No. 58/2025/ND-CP on renewable and new energy development.

Government of Vietnam. (2025). Decree No. 88/2025/ND-CP.

Government of Vietnam. (2025). Decree No. 119/2025/ND-CP.

Government of Vietnam. (2025). Decree No. 156/2025/ND-CP.

Ministry of Agriculture and Environment. (2025). Circular No. 12/2025/TT-BNNMT.

Ministry of Agriculture and Environment. (2025). Circular No. 14/2025/TT-BNNMT.

Ministry of Agriculture and Environment. (2025). Decision No. 4024/QD-BNNMT.

Ministry of Industry and Trade. (2025). Circular No. 53/2025/TT-BCT.

National Assembly of Vietnam. (2025). Law No. 67/2025/QH15.

National Assembly of Vietnam. (2025). Law No. 77/2025/QH15 amending the Law on Electricity.

National Assembly of Vietnam. (2025). Law No. 93/2025/QH15.

National Assembly of Vietnam. (2025). Law No. 115/2025/QH15.

National Assembly of Vietnam. (2025). Law No. 123/2025/QH15.

National Assembly of Vietnam. (2025). Law No. 143/2025/QH15 on Investment.

National Assembly of Vietnam. (2025). Law No. 146/2025/QH15.

National Assembly of Vietnam. (2025). Resolution No. 193/2025/QH15.

National Assembly of Vietnam. (2025). Resolution No. 222/2025/QH15.

National Assembly of Vietnam. (2025). Resolution No. 248/2025/QH15.

Politburo of the Communist Party of Vietnam. (2025). Resolution No. 68-NQ/TW on private economic development.

Politburo of the Communist Party of Vietnam. (2025). Resolution No. 70-NQ/TW.

Politburo of the Communist Party of Vietnam. (2025). Resolution No. 71-NQ/TW.

Politburo of the Communist Party of Vietnam. (2018). Resolution No. 36-NQ/TW on the sustainable development strategy of Vietnam's marine economy to 2030, with a vision to 2045.

Prime Minister of Vietnam. (2022). Decision No. 896/QD-TTg approving the national strategy on climate change to 2050.

Prime Minister of Vietnam. (2023). National Power Development Plan VIII (PDP8).

Prime Minister of Vietnam. (2024). Decision No. 13/2024/QD-TTg promulgating the list of sectors and facilities required to conduct greenhouse gas inventories.

Prime Minister of Vietnam. (2025). Decision No. 21/2025/QD-TTg on environmental classification criteria for green credit and green bonds.

Prime Minister of Vietnam. (2025). Decision No. 222/QD-TTg.

Prime Minister of Vietnam. (2025). Decision No. 232/QD-TTg approving the project on establishment and development of the carbon market in Vietnam.

Prime Minister of Vietnam. (2025). Decision No. 1894/QD-TTg on the national action plan on the circular economy.

Prime Minister of Vietnam. (2025). Directive No. 20/CT-TTg on urgent tasks for environmental pollution control.

Prime Minister of Vietnam. (2026). Directive No. 09/CT-TTg.

European Union. (2023). Regulation (EU) 2023/956 establishing a carbon border adjustment mechanism.

Reports, articles and data sources

Dealroom. (2025). Dat Bike raises $22M, plans Thai entry. https://app.dealroom.co/news/feed/dat-bike-raises-22m-plans-thai-entry

Eco-Business. (2026). Funding for climate tech startups in Southeast Asia rose year on year in 2025. https://www.eco-business.com/news/funding-for-climate-tech-startups-in-southeast-asia-rose-year-on-year-in-2025/

Net Zero Insights. (2025). H1 2025 data shows steady global funding despite policy headwinds. https://netzeroinsights.com/resources/h1-2025-data-shows-steady-global-funding-despite-policy-headwinds/

New Energy Nexus, RMIT University, & AGILE Project. (2025). Vietnam climate tech funding ecosystem report 2025.

PwC. (2025). State of climate tech: Investment, adaptation and AI. https://www.pwc.com/gx/en/issues/esg/climate-tech-investment-adaptation-ai.html

Tracxn. (2026). Southeast Asia climate tech funding data, 2018 to mid-2026.

World Bank. (2024). Viet Nam: Recommendations to the national roadmap and action plan for the electric mobility transition. https://documents1.worldbank.org/curated/en/099102224045529146/pdf/P18116512a364c0aa1b15c1f6ff0709730f.pdf

World Bank. (2025). Viet Nam 2045—Growing greener: Pathways to a resilient and sustainable future. https://documents1.worldbank.org/curated/en/099051625143012802/pdf/P176996-37953242-ccab-4fd4-b9da-7178f234adfb.pdf