



Viet Nam: Public-Private Partnerships, Private Sector Development, and State-Owned Enterprise Reform

Project Name	Public-Private Partnerships, Private Sector Development, and State-Owned Enterprise Reform	
Project Number	54445-001	
Country	Viet Nam	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 6734-VIE: Public Private Partnerships, Private Sector Development, and State-Owned Enterprise Reform	
	Government of Canada	US\$ 2.70 million
	Government of Australia	US\$ 1.90 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Industry and trade - Small and medium enterprise development Public sector management - Public administration	
Gender Equity and Mainstreaming	Gender equity	
Description	<p>1. The TA's impact will be that the private sector is transformed into a driver of economic growth. The outcome will be Viet Nam's private sector in terms of quantity, quality, efficiency and sustainability developed.</p> <p>2. The TA will achieve this outcome through three outputs. First, it will focus on project development. This is particularly important for PPPs where the government is preparing the Medium-Term Investment Plan (MTIP) 2021-5. Projects in the MTIP will have already completed prefeasibility assessments, but the TA will help to screen for the most promising of these PPP and prepare at least one feasibility study. Contingent on the availability of additional funding, the TA is also expected to play a role in upstream transaction development in the sectors where ADB's non-sovereign operations are strategically focused.</p> <p>3. Second, the TA will provide gender-sensitive policy advice. Infrastructure is a significant governmental priority, but there is little research as how this infrastructure should be developed to meet the needs of women. The TA would fund a study to examine this question with the study expected to inform the operations of the government and development partners as they conceptualize solutions to Viet Nam's infrastructure needs. Policy advice will also extend to the implementation of the PPP law. Although the government is expected to have published most of the corresponding decrees and circulars before TA implementation, the Ministry of Planning and Investment is going to have ongoing needs for policy advice to adjust these documents as the first PPPs are implemented.</p> <p>4. Finally, it will support the capacity development of both the government and the private sector. One focus will be on helping women to emerge in infrastructure and related technical fields through sponsoring a leadership program for promising managers and an internship program to encourage more young women to enter these fields. Another focus will be on provincial leadership. Viet Nam's expertise in PPPs is clustered in the central government. For PPPs to become viable at lower levels, capacity building is a precursor. The TA will select two provinces and/or municipalities to improve their (i) technical and managerial capacity for prioritizing, screening and early-stage development of municipal PPPs, and (ii) financial capacity to implement them.</p> <p>5. A TA is merited over a grant-financed project because a TA (i) aligns with the Government of Canada's priorities on how the funding should be used and (ii) creates more opportunities to leverage ADB's considerable expertise in these areas.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>1. The private sector plays an increasingly important role in Viet Nam's economic development. For example, credit to the private sector was only 28% of gross domestic product (GDP) in 1999. For two decades, it increased by 7% per annum and reached 138% of GDP by 2019. Economic growth, employment, and export data all showcase a similar story of the ascending role of Viet Nam's private sector.</p> <p>2. The government recognizes the private sector's role as a growth engine and is expected to prioritize its development in the upcoming Socio-Economic Development Strategy 2021-2030. Preparatory documents for this strategy target that the private sector will account for 60% to 65% of gross domestic product by 2030. This includes a larger role for the private sector in capital investment.</p> <p>3. These changing circumstances are also changing the support that Viet Nam will need from ADB. Whereas traditional sovereign operations have historically dominated ADB's operations in Viet Nam, that balance is expected to shift toward nonsovereign operations, support for PPPs, and sovereign operations that incorporate private sector elements. Indeed, ADB's next country partnership strategy, which will cover 2021 through 2025, is expected to prioritize heavily private sector development.</p> <p>4. In executing both the government and ADB's strategies, public-private partnerships (PPPs) will feature prominently. With the advisory support of ADB and other donors, Viet Nam passed its first PPP law in 2020. To support the implementation of this law, Viet Nam will require assistance for project preparation, policy advice, and capacity building.</p> <p>5. Women must play an important role in these new developments. According to a McKinsey report, if gender gaps in the labour force were addressed in Asia Pacific, this could add \$4.5 trillion to annual GDP by 2025 in the region. Increasingly gender diversity is being viewed as a source of competitive advantage, and even as an enabler of business strategy and growth. Studies have also found a correlation between the presence of women in leadership positions and key business performance indicators, promoting firms' profitability, reputation, and strategic advantage. The Viet Nam Constitution, the Law on Gender Equality (2006), and other measures create an enabling environment for women to play an active role in the development of the private sector in Viet Nam. Despite a strong business case and progress made, barriers remain for women to gain employment, especially in traditionally male-dominated sectors as witnessed within the construction and transport sectors in Viet Nam, where less than 10% of those employed are women.</p> <p>6. This TA will support project development, gender-sensitive policy advice, and capacity building that will position ADB to partner with Viet Nam to address these areas of emerging need.</p> <p>7. The TA firmly aligns with ADB's Strategy 2030. It not only focuses on the operational priorities of strengthening governance and institutional capacity, gender equality, and making cities more livable but also supports Strategy 2030's goals of (i) harnessing the private sector to achieve these operational priority and (ii) using a 'One ADB' approach to enhance ADB's value addition with the TA's implementation being co-led by the Southeast Asia Regional Department and the Office of Public-Private Partnerships.</p>	

Impact The private sector is transformed into a driver of economic growth

Project Outcome	
Description of Outcome	Private sector's role in Viet Nam's gender-responsive and environmentally sustainable development expanded
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Output 1: Policy advice on public-private partnerships and private sector development delivered Output 2: Pilot projects embedding Quality Infrastructure Investment principles conceptualized Output 3: Public-private partnerships and private sector development institutional capacities strengthened
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Responsible ADB Officer	Dao Viet, Dung
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines Ministry of Planning and Investment 6 B Hoang Dieu street, Ba Dinh district, Hanoi, Viet Nam
Timetable	
Concept Clearance	13 Nov 2020
Fact Finding	12 Nov 2020 to 12 Nov 2020
MRM	-
Approval	10 Jun 2021
Last Review Mission	-
Last PDS Update	16 Jun 2021

TA 6734-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
10 Jun 2021	-	-	31 Dec 2025	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	4,600,000.00	0.00	0.00	0.00	0.00	4,600,000.00	29 Sep 2021	0.00

Project Page	https://www.adb.org/projects/54445-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54445-001
Date Generated	03 November 2021

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.