



Technical Assistance Report

Project Number: 54445-001
Knowledge and Support Technical Assistance (KSTA)
June 2021

Socialist Republic of Viet Nam: Public–Private Partnerships, Private Sector Development, and State-Owned Enterprise Reform

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 6 May 2021)

Currency unit	–	dong (D)
D1.00	=	\$0.0000433802
\$1.00	=	D23,052.00
A\$1.00	=	\$0.7747001523
\$1.00	=	A\$1.290822
Can\$1.00	=	\$0.8151952393
\$1.00	=	Can\$1.226700

ABBREVIATIONS

ADB	–	Asian Development Bank
ASA	–	authorized state agency
CRA	–	credit rating agency
G20	–	Group of Twenty
GDP	–	gross domestic product
ICS	–	individual consultant selection
MPI	–	Ministry of Planning and Investment
MTIP	–	Medium-Term Investment Plan
OP	–	operational priority
P3SP	–	Public–Private Partnership Support Project
PPP	–	public–private partnership
PVN	–	Vietnam Oil and Gas Group
QCBS	–	quality- and cost-based selection
RETA	–	regional technical assistance
SOE	–	state-owned enterprise
SSS	–	single-source selection
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 54445-001	
Project Name	Public–Private Partnerships, Private Sector Development, and State-Owned Enterprise Reform	Department/Division	SERD/VRM
Nature of Activity Modality	Capacity Development Regular	Executing Agency	Ministry of Planning and Investment
Country	Viet Nam, Socialist Republic of		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
		Total	0.00
3. Operational Priorities		Climate Change Information	
✓ Accelerating progress in gender equality		GHG Reductions (tons per annum)	0.000
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		Climate Change impact on the Project	Low
✓ Making cities more livable			
✓ Strengthening governance and institutional capacity			
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.46
		Mitigation (\$ million)	0.34
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.4		Gender Equity (GEN)	✓
SDG 5.a			
SDG 7.a			
SDG 9.3			
SDG 10.3			
SDG 12.8			
SDG 13.a			
SDG 17.17, 17.3			
4. Risk Categorization		Complex	
5. Safeguard Categorization		Safeguard Policy Statement does not apply	
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		4.60	
Government of Australia (Full ADB Administration)		1.90	
Government of Canada (Full ADB Administration)		2.70	
Counterpart		0.00	
None		0.00	
Total		4.60	
Currency of Financing: US Dollar			

I. INTRODUCTION

1. This knowledge and support technical assistance (TA) will help accelerate private sector development in Viet Nam. Specifically, working closely with the Government of Viet Nam, the TA will support public–private partnerships (PPPs), the private sector, and state-owned enterprises (SOEs) through policy advice, support for project preparation, and institutional capacity building to enhance sustainable economic growth. The TA will contribute to the following Strategy 2030 operational priorities of the Asian Development Bank (ADB): (i) accelerating progress on gender equality; (ii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; (iii) making cities more livable; and (iv) strengthening governance and institutional capacity.¹ The TA will also support Strategy 2030’s goals of (i) harnessing the private sector to achieve operational priorities and (ii) using a One ADB approach to enhance ADB’s value addition with the Southeast Asia Regional Department, the Advisory Division 1 of the Office of Public–Private Partnership, and the Public-Private Partnership Thematic Group jointly co-leading the TA’s implementation.

2. The TA is aligned with the country partnership strategy for Viet Nam, 2016–2020,² which prioritizes expanding the role of the private sector in driving Viet Nam’s development. ADB’s forthcoming country partnership strategy for Viet Nam is expected to retain this priority.

II. ISSUES

3. **Infrastructure deficit.** Between 2011 and 2020, Viet Nam invested an estimated \$117 billion in infrastructure.³ As a result, Viet Nam’s infrastructure ranking from the World Economic Forum improved from 123rd out of 142 economies in 2011 to 79th out of 137 economies in 2017. Despite these gains, Viet Nam’s infrastructure remains underdeveloped, and Viet Nam ranks behind its regional peers Indonesia (52nd), Malaysia (22nd), and Thailand (43rd).⁴ The spending required to close the infrastructure deficit is significant. Between 2021 and 2030, Viet Nam will need an estimated \$237 billion to meet the targets of its upcoming Socio-Economic Development Strategy 2021–2030, maintain growth rates of 6%–7%, and achieve the Sustainable Development Goals.⁵ To fund this investment, Viet Nam will need to mobilize between 2021 and 2030 an estimated \$49 billion more than its historical spending trajectory.⁶

4. The government already shoulders 90% of infrastructure spending,⁷ and public investment as a proportion of gross domestic product (GDP) at 8% is higher than in Indonesia (4%), Malaysia (6%), the Philippines (5%), and Thailand (6%).⁸ However, the government’s fiscal space is likely to be lower in the post coronavirus disease (COVID-19) era. Hence, the government aims to enhance fiscal discipline further and leverage more private financing. Even prior to the pandemic, the government managed to lower the national public debt from 64% of GDP in 2016 to 56% of GDP in 2020. Yet, while Viet Nam has adroitly managed the COVID-19 pandemic, its fiscal deficit still increased from an average of 1.8% between 2016 and 2019 to 5.8% in 2020, and growth in GDP fell from an average of 6.8% between 2016 and 2019 to 2.9% in 2020.⁹ As such, the government cannot support large increases in infrastructure spending and is looking to mobilize new sources of financing.

¹ Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 3); ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

² ADB 2016. *Country Partnership Strategy: Viet Nam, 2016–2020—Fostering More Inclusive and Environmentally Sustainable Growth*. Manila.

³ Global Infrastructure Hub. [Global Infrastructure Outlook](#) (accessed 9 March 2021).

⁴ World Economic Forum. 2017. [The Global Competitiveness Report, 2017–2018](#). Geneva.

⁵ United Nations. [The 17 Goals | Sustainable Development](#).

⁶ Global Infrastructure Hub. [Global Infrastructure Outlook](#) (accessed 9 March 2021).

⁷ World Bank. 2020. [Vibrant Vietnam: Forging the Foundation of a High-Income Economy](#). Washington, D.C.

⁸ International Monetary Fund. 2021. [Vietnam: Staff Report for the 2020 Article IV Consultation](#). Washington, D.C.

⁹ ADB. 2021. [Asian Development Outlook 2021: Financing a Green and Inclusive Recovery](#). Manila.

5. **Government strategy.** The government recognizes that the private sector has the potential to help close the infrastructure deficit. The upcoming Socio-Economic Development Strategy 2021–2030 prioritizes removing barriers to open competition and developing a supportive enabling environment to increase the private sector’s contribution to GDP from 43% in 2020 to between 60% and 65% by 2030, including a larger role in infrastructure development.¹⁰ PPPs will be one of the government’s key tools to harness private capital. Viet Nam passed the Law of Public-Private Partnership, 2020 with advisory support from ADB and other development partners.¹¹ The law’s successful implementation will be instrumental in further integrating the private sector into Viet Nam’s economic development, while conserving public resources in a constrained fiscal environment and increasing the efficiency of public service delivery.

6. Concurrently, the government plans to accelerate the reform of SOEs, which play a prominent role in infrastructure development, including in the energy, transport, telecommunication, and water sectors. Viet Nam started SOE reforms more than a decade ago and has made good progress. In 2009, it unbundled Electricity Vietnam. In 2018, it established the Committee for the Management of State Capital to increase the oversight and efficiency of 19 of the largest SOEs, many in infrastructure sectors. Presently, it is systematically reducing financial support to SOEs, so that they are subject to market discipline. Notwithstanding, SOEs still account for 28% of GDP.¹² Therefore, it is critical that infrastructure SOEs become more efficient and adopt operating standards that facilitate environmentally sustainable growth.

7. **Climate change.** With carbon intensity that is almost triple the world average, Viet Nam has high potential to introduce more sustainable growth models.¹³ In 2020, renewable energy accounted for 57% of Viet Nam’s energy mix¹⁴ but could reach 68% of generation by 2030 without significantly increasing costs or compromising energy security.¹⁵ Vietnam Oil and Gas Group (PVN), the country’s second largest energy SOE, has expressed willingness to reform its strategy and to develop greener forms of energy production such as offshore wind and liquified natural gas. If PVN could effect a strategic reform (para. 6) to deliver environmentally sustainable infrastructure, it would have downstream impacts throughout the energy value chain. At a broader and economy-wide level, there are significant opportunities for both the public and private sectors to help reduce greenhouse gas emissions and pollution and enhance climate resilience through adaptation and mitigation measures.

8. **Incomplete policy framework.** To implement the government’s strategy to close the infrastructure deficit, Viet Nam seeks to address existing gaps in the policy framework, project preparation, and capacity. While the 2020 PPP law and its related decrees have established Viet Nam’s framework for PPPs, circulars and other supporting documents to implement the law are needed. Additionally, SOEs will need support to pivot to more environmentally friendly business models and adopt best practices in social and environmental audits of infrastructure projects. Finally, although an increased reliance on PPPs and SOE reform is important, they do not address the constraints on every sector. A domestic credit rating culture backed by strong institutions is vital to attract private domestic and international investments. However, Viet Nam has yet to establish a successful credit rating agency (CRA) that can link the private sector to capital markets through corporate bonds, project bonds, and other instruments. While Viet Nam has licensed two CRAs, public credit ratings remain limited. ADB, with support from the Government of Australia, has supported an initial phase of developing the local credit rating market through publishing a report on the potential for global CRAs to invest in domestic

¹⁰ Communist Party of Viet Nam. 2020. Draft Report on 2021–2030 Socio-Economic Development Strategy. Ha Noi.

¹¹ Socialist Republic of Viet Nam.

¹² ADB Institute. 2020. [State-Owned Enterprise Reform in Viet Nam: Progress and Challenges](#). Tokyo.

¹³ United States Agency for International Development. 2016. [Greenhouse Gas Emissions in Vietnam](#). DC Global Carbon Project. [Global Carbon Atlas](#) (accessed on 26 May 2020).

¹⁴ Government of Viet Nam, Ministry of Industry and Trade. 2021. Draft Power Development Plan 8. Unpublished.

¹⁵ McKinsey Global Institute. 2019. [Exploring an Alternative Pathway for Vietnam’s Energy Future](#).

CRAs.¹⁶ As next steps, domestic CRAs must develop partnerships with global CRAs to leverage their experience and credibility, and government decree regulating domestic CRAs needs to be updated to account for the considerable changes in Viet Nam's capital markets since the decree's issuance in 2014.

9. **Weak project selection and preparation.** With the recent passage of the PPP law (para. 5), an immediate priority is to develop viable PPP projects that will attract the private sector. There have been recent examples where investors have declined to bid on PPPs because of structuring weaknesses. Given the volume of potential PPPs, project screening and structuring must be enhanced to ensure that the most promising projects are identified and prepared to international standards. These projects would then become early benchmarks that further energize the PPP agenda. For both project screening and structuring, the G20 principles of Quality Infrastructure Investment, particularly the gender and environmental aspects, need to be mainstreamed.¹⁷

10. **Limited capacity to implement the PPP and private sector development agenda.** Leveraging the private sector for development is still a relatively new concept in Viet Nam and capacity is lacking in general. Most of the expertise for PPPs and infrastructure planning is at the central level. The more that this knowledge is diffused to municipalities and provinces, the more local projects will be able to leverage the efficiency of PPPs. In addition, these reforms will need to enlist the talents of all Vietnamese. Historically, infrastructure has been dominated by men. For example, women represent less than 10% of those employed in the construction and transport sectors.¹⁸ To increase their representation and to diversify and expand the talent pool, initiatives are needed to attract women to the infrastructure sector and provide opportunities for professional growth to those already in the sector.

11. **Gender.** Gender inequality is an issue that cuts across these three constraints (paras. 8–10). While 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, rigid gender perceptions and stereotypes limit their engagement, especially in the infrastructure sector. One study found that 20% of job postings in Viet Nam included gender requirements, and for engineering vacancies, 99% of those with gender requirements specified that the applicant should be male.¹⁹ Similarly, while it is widely recognized that women's experience of and needs from infrastructure are unique, policies and infrastructure projects do not account for their perspectives in part because there has been minimal research on what is needed to make infrastructure more inclusive. Targeted capacity development initiatives to increase the participation of women in infrastructure as well as gender-responsive approaches to PPPs and private sector development are priorities.

12. **Development partner coordination.** ADB has been closely coordinating with other development partners to support the development of Viet Nam's private sector. ADB cooperated with the World Bank and others in consolidating development partners' comments on drafts of the PPP law and presented those comments on behalf of all the development partners to members of Viet Nam's National Assembly. ADB is also the co-chair of a stakeholder forum on PPPs that the Ministry of Planning and Investment sponsors.

13. **ADB experience and lessons learned.** The TA draws from lessons learned from earlier ADB projects in Viet Nam, including the Mekong Business Initiative²⁰ and the Public–Private Partnership Support Project (P3SP),²¹ which were both completed in 2020. In P3SP, the complex budgeting and the rigidity of public investment approvals in Viet Nam's Medium-

¹⁶ ADB. 2020. *The Potential for Foreign Investment in a Domestic Credit Rating Agency in Viet Nam*. Manila.

¹⁷ G20. 2019. *G20 Principles for Quality Infrastructure Investment*. Osaka.

¹⁸ ADB and UN Women Gender. 2019. *Responsive Budgeting in Viet Nam: Gender Equality in Transport Sector*.

¹⁹ International Labour Organization. 2015. *World Employment Social Outlook*. Geneva.

²⁰ ADB. 2014. *Technical Assistance for Mekong Business Initiative*. Manila.

²¹ ADB. 2012. *Report and Recommendation of the President: Social Republic of Viet Nam, Public–Private Partnership Support Project*. Manila.

Term Investment Plan (MTIP) impeded the preparation of projects screened by the project. As a loan, budgetary expenses for P3SP were required to be included in the MTIP and approved by the National Assembly, which caused delays and low disbursements. Under a TA modality, the inputs to project concept preparation will not require approval from the National Assembly. The TA also draws from ADB's experience in Viet Nam with SOE reform. The SOE Reform and Corporate Governance Facilitation Program closed in 2017,²² and its completion report recommended a greater focus on preparing SOEs for nonsovereign borrowing.²³

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

14. The TA is aligned with the following impact: the private sector is transformed into a driver of economic growth.²⁴ The TA will have the following outcome: private sector's role expanded in Viet Nam's gender-responsive and environmentally sustainable development.²⁵

B. Outputs, Methods, and Activities

15. **Output 1: Policy advice on public-private partnerships and private sector development delivered.** First, this output will provide policy advice to formulate the necessary circulars and other policy documents to implement the PPP law. Second, to enable access to financing for PPPs and other projects, the output will help Viet Nam to establish at least one successful domestic CRA by training domestic CRAs that are able to partner with a global CRA; helping the government to revise Decree 88/2014/ND-CP, which regulates the supervision of CRAs; sponsoring seminars for capital market participants on the benefits of credit ratings; and partially offsetting the costs of entities getting their first rating from a domestic CRA. Third, the output will help at least two SOEs to conduct environmental audits of their corporate operations and of planned projects and provide advice on implementing the audit's recommendations. Seminars will then disseminate the lessons from these audits to other infrastructure SOEs. Fourth, the output will help PVN to prepare, through expert advice and consultations with leading international firms, a green energy transition strategy to move away from an exclusive reliance on fossil fuels, setting a precedent for other SOEs to follow. Fifth, the output will prepare a study that will examine how Viet Nam's infrastructure can better serve the needs of women, which will build upon other ADB studies on women and infrastructure.²⁶

16. **Output 2: Pilot projects embedding Quality Infrastructure Investment principles conceptualized.** This output will help the government to adopt the G20 Quality Infrastructure Investment principles by applying them to screen PPP projects that are already in the MTIP. It will identify those projects with the greatest potential to be successfully delivered as PPPs and provide inputs to support the government in preparing a project concept paper for one of these screened projects. The inputs to the concept paper will preferably be for a project in the health sector, to help mitigate the impact of COVID-19 on healthcare funding, or a sector that promotes environmental sustainability, such as waste-to-energy generation, waste management, municipal water, or irrigation. This would help further the government's agenda to transition to a low-carbon economy and introduce green and climate-proofed infrastructure. The inputs for project concept preparation will adhere to ADB's Safeguard Policy Statement (2009)²⁷ to ensure that it is environmentally sustainable, include appropriate mitigants to

²² ADB. 2009. [Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to the Socialist Republic of Viet Nam for the SOE Reform and Corporate Governance Facilitation Program](#). Manila.

²³ ADB. 2019. [Completion Report: SOE Reform and Corporate Governance Facilitation Program](#). Manila.

²⁴ Communist Party of Viet Nam. 2020. Draft Report on 2021–2030 Socio-Economic Development Strategy. Ha Noi.

²⁵ The design and monitoring framework is in Appendix 1.

²⁶ ADB. [Gender Checklists and Toolkits in Sector Works](#). Manila.

²⁷ ADB. 2009. [Safeguard Policy Statement](#). Manila.

address identified safeguard risks, and be consistent with other principles of Quality Infrastructure Investment. To better link the preparation of infrastructure to the needs of women, the output will undertake a gender gap assessment of a government agency or SOE. To implement their green energy transition strategy, this output will support PVN to develop a sustainable energy project.

17. Output 3: Public-private partnership and private sector development institutional capacities strengthened. This output will support at least one province or municipality to train a cadre of decision makers to leverage the principles of Quality Infrastructure Investment to improve competitiveness and resilience post COVID-19 and facilitate sub-sovereign PPPs.²⁸ It will also help women from both the public and private sectors to pursue careers in infrastructure and related technical fields by sponsoring an executive program for promising managers and an on-the-job paid internship program to encourage more young women to enter these fields. Three cohorts of 10 women each will participate in the executive and internship programs, respectively.²⁹ For both programs, ADB will work with a consultancy to (i) identify key public and private sector organizations that are willing to participate, and (ii) prepare the programs that are expected to include training on designing, evaluating, and implementing infrastructure projects for environmental sustainability, climate change resilience, gender inclusiveness, and other principles of Quality Infrastructure Investment.

C. Cost and Financing

18. The TA is estimated to cost \$4,724,000 of which (i) \$2,700,000 will be financed on a grant basis by the Government of Canada and (ii) \$1,900,000 will be financed on a grant basis by the Government of Australia, both to be administered by ADB.³⁰ The key expenditure items are listed in Appendix 2. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, and other in-kind contributions.

D. Implementation Arrangements

19. ADB's Viet Nam Resident Mission will administer the TA. The Ministry of Planning and Investment will be the executing agency. It will also be the implementing agency for activities related to PPPs, SOEs' environmental audits, and the gender gap assessment. The Ministry of Finance will be the implementing agency for the support for domestic credit rating agencies.³¹ PVN will be the implementing agency for its strategic reform.³² The TA will be implemented for 55 months, from June 2021 to December 2025.

20. Implementation arrangements are summarized in the table.³³ For part of the support to domestic credit rating agencies, two firms will be recruited through single-source selection.

²⁸ The selected municipality will additionally be invited to participate in RETA 6588: *Creating Investable Cities in a Post-COVID-19 Asia and the Pacific—Enhancing Competitiveness and Resilience through Quality Infrastructure*. This regional TA supports capacity building at the subnational level to implement municipal projects by (i) improving capacity building for early-stage project preparation using Quality Infrastructure Investment principles; (ii) assessing and increasing creditworthiness to support infrastructure development; and (iii) identifying opportunities to raise more capital from the private sector, including through PPPs.

²⁹ There may be limitations on government ministries participating in the internship program, in which case the program would focus on state-owned enterprises and private companies. As a possible alternative, the internship program may also sponsor staff exchanges between women working in different governmental organizations.

³⁰ ADB is in discussion with donors about additional contributions to the TA. ADB will incorporate any additional funding through processing a change in scope.

³¹ The municipality selected to receive capacity building support under output 2 of the TA will also become an implementing agency.

³² Integrity due diligence was conducted on PVN, the members of its board of directors, and key management. No significant or potentially significant integrity risks were identified. ADB has obtained reasonable assurance that PVN was not established and is not being used for money laundering or terrorism financing in the Viet Nam.

³³ The titles of the individual experts required are described in Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

The single-source selection is justified because it would support the continuation of ongoing work and because the size of the contracts is small, each being capped at \$150,000.

Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	June 2021–December 2025		
Executing agency	Ministry of Planning and Investment		
Implementing agencies	Ministry of Planning and Investment, Ministry of Finance (activities related to credit rating agencies), PVN (activities related to their strategic reform)		
Consultants ^a	To be selected and engaged by ADB		
	ICS	PPP Law Implementation Support	\$238,000
	Firm: QCBS	Women-focused Research and Capacity Building	\$217,000
	ICS	SOE Environmental Audit	\$130,000
	Firm: QCBS, ICS	Creating Investable Cities	\$550,000
	Firm: SSS and framework agreement	Support for Domestic Credit Rating Agencies	\$544,000
	Firm: QCBS	Transition to a Green Economy	\$338,000
Procurement	Procurement of goods and services will follow the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.		
Disbursement	Disbursement of TA resources will follow ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		

ADB = Asian Development Bank, ICS = individual consultant selection, PPP = public–private partnership, PVN = Viet Nam Oil and Gas Group, QCBS = quality- and cost-based selection, SOE = state-owned enterprise, SSS = single-source selection, TA = technical assistance.

^a These reflect initial packages and do not equal the total cost of the TA. Additional consultant packages will draw from, and be based on, the results of the initial work. The PPP Law Implementation Support, Women-focused Research and Capacity Building, and Creating Investable Cities consulting packages contribute to the development of PPPs; the SOE Environmental Audit, Support for Domestic Credit Rating Agencies, and Transition to a Green Economy consulting packages contribute to private sector development and SOE reform.

Source: Asian Development Bank.

21. **Consulting services.** ADB will recruit consulting firms using quality- and cost-based selection with a 90:10 quality-cost ratio and will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and associated staff instructions.³⁴

22. **ADB's procurement.** Procurement will follow the ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

23. **Cofinancier requirements.** ADB will invite the donors to join TA review meetings, provide reports on TA review missions, organize biannual progress meetings with the donors, invite the donors to participate in public events, and provide annual financial reports. ADB will also prepare biannual reports for the Government of Australia and annual reports for the Government of Canada on the TA's progress.

IV. THE PRESIDENT'S DECISION

24. The President, acting under the authority delegated by the Board, has approved: (i) the Asian Development Bank (ADB) administering technical assistance not exceeding the equivalent of \$2,700,000 to be financed on a grant basis by the Government of Canada, and (ii) ADB administering technical assistance not exceeding the equivalent of \$1,900,000 to be financed on a grant basis by the Government of Australia, both to the Government of Viet Nam for Public–Private Partnerships, Private Sector Development, and State-Owned Enterprise Reform; and hereby reports this action to the Board.

³⁴ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

<p>2. Pilot projects embedding Quality Infrastructure Investment principles conceptualized</p>	<p>1c. Environmental audits to promote climate change mitigation and/or adaptation and/or environmental sustainability completed by at least two SOEs (2020 baseline: not applicable) (OP 6.1)</p> <p>1d. A green energy transition strategy based on international best practices prepared by PVN (2020 baseline: strategy being drafted) (OP 6.1)</p> <p>1e. At least one domestic credit rating agency trained by at least one global credit rating agency (2020 baseline: not available) (OP 1.2)</p> <p>1f. Decree 88/2014/ND-CP^b on credit rating agencies revised (2020 baseline: not applicable) (OP 1.2)</p> <p>1g. At least five seminars held for capital market participants on credit ratings (2020 baseline: 1 seminar) (OP 1.2)</p> <p>1h. At least 20 entities rated by a domestic credit rating agency (2020 baseline: 0) (OP 1.2)</p> <p>2a. Viet Nam's Medium-Term Investment Plan 2021–2025 screened for PPPs with strong market potential (2020 baseline: not applicable) (OP 6.1)</p> <p>2b. Inputs provided to the preparation of a concept paper for a PPP project (2020 baseline: not applicable) (OP 6.1)</p> <p>2c. At least one environmentally sustainable project brought to market under the new PPP Law (2020 baseline: not applicable) (OP 6.1)</p> <p>2d. Key recommendations from the gender gap assessment on a selected government agency or SOE developing an infrastructure project implemented (2020 baseline: not applicable) (OP 2.3.2)</p>	<p>1c. Consultant report</p> <p>1d. PVN board document</p> <p>1e. Consultant report</p> <p>1f. Government decree</p> <p>1g. Seminar agendas and participants' lists</p> <p>1h. Credit rating agency reports</p> <p>2a-2e. Consultant report</p>	<p>R: There may be limited PPPs with strong market potential because of inadequate prefeasibility assessments</p> <p>R: PPP project does not advance to closing because it is economically infeasible or because the government opts for traditional procurement</p> <p>R: Projects are not successfully tendered because of limitations in the untested PPP Law</p>
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<p>3. Public-private partnerships and private sector development institutional capacities strengthened</p>	<p>2e. Inputs provided to the preparation of a concept paper for a PVN-sponsored project in renewable energy generation or liquified natural gas (2020 baseline: not applicable) (OP 3.1)</p> <p>3a. On-the-job training program on delivering gender-responsive PPPs provided to government leaders of at least one province or city (2020 baseline: not applicable) (OP 4.2; OP 6.1; OP 6.2)</p> <p>3b. On-the-job training program on building knowledge and skills on strategic environmental assessments and safeguards for delivering environmentally sustainable PPPs provided to government leaders of at least one province or city (2020 baseline: not applicable) (OP 4.2; OP 6.1; OP 6.2)</p> <p>3c. A national women's executive program targeting women working in infrastructure established (2020 baseline: not applicable) (OP 2.3.1)</p> <p>3d. A national internship program for women in technical fields to receive on-the-job training in infrastructure established (2020 baseline: not applicable) (OP 2.2.1)</p>	<p>3a. PPP training workshop agenda and participants list</p> <p>3b. PPP training workshop agenda and participants list</p> <p>3c. Consultant report</p> <p>3d. Consultant report</p>	
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Key Activities with Milestones**1. Policy advice on public-private partnerships and private sector development delivered.**

- 1.1 Provide support to MPI, other ministries, and provinces on implementation of PPP law (Q1 2022–Q4 2025)
- 1.2 Conduct consultations with international firms in the offshore wind and liquified natural gas industries (PVN) (Q1 2022–Q4 2025)
- 1.3 Provide inputs to PVN's green energy transition strategy (Q1 2022–Q4 2023)
- 1.4 Hold biannual seminars on credit ratings to promote stakeholders' understanding of their importance (ADB and Ministry of Finance) (Q1 2022–Q4 2025)
- 1.5 Recruit and engage domestic credit rating agencies to prepare credit ratings on participating first-time issuers (Q1 2022–Q4 2025)
- 1.6 Undertake environmental audits to promote climate change mitigation and/or adaptation and/or environmental sustainability (SOEs) (Q2 2022–Q4 2024)
- 1.7 Complete survey of how Vietnamese women assess national infrastructure (Q2 2022)
- 1.8 Provide inputs to Ministry of Finance on Decree 88/2014/ND-CP^b (Q3 2022–Q4 2022)
- 1.9 Prepare and disseminate ADB working paper on gender and infrastructure (Q3 2022–Q1 2023)
- 1.10 Provide training to the domestic credit rating agency(ies) (Global credit rating agencies) (Q3 2022–Q4 2023)
- 1.11 Conduct a study tour of international wind and liquified natural gas operations (PVN) (Q4 2022)
- 1.12 Revise Decree 88/2014/ND-CP^b (Ministry of Finance) (Q1 2023–Q4 2023)

2. Pilot projects embedding Quality Infrastructure Investment principles conceptualized

- 2.1 Screen Medium-Term Investment Plan 2021–2025 to identify projects that are strong candidates for successful tendering as PPPs (Q1 2022–Q4 2022)
- 2.2 Prepare feasibility report and other inputs to PPP project concept preparation (Q1 2023–Q4 2024)
- 2.3 Complete gender gap assessment on a government agency or SOE (Q4 2023)
- 2.4 Provide inputs to the preparation of a renewable energy or liquified natural gas project, based on the conclusions of PVN's green energy transition (Q1 2024–Q4 2025)
- 2.5 Implement recommendations from the gender gap assessment (Selected government agency or SOE) (Q4 2024)

3. Public-private partnerships and private sector development institutional capacities strengthened

- 3.1 Identify at least one province or city to participate in the capacity building program (Q1 2022)
- 3.2 Develop curriculum and initiate women's executive and internship programs (Q1 2022)
- 3.3 Implement capacity building program in selected province or city (Q3 2022–Q1 2025)
- 3.4 Complete cohort of women's executive and internship programs (Q4 of 2022, 2023, and 2024)

Inputs

Government of Australia: \$1,900,000 (\$ equivalent of A\$2,500,000)

Government of Canada: \$2,700,000 (\$ equivalent of Can\$3,500,000)

ADB= Asian Development Bank, MPI = Ministry of Planning and Investment, OP = operational priority, PPP = public-private partnerships, PVN = Vietnam Oil and Gas Group, Q = quarter, R = risk, SOE = state-owned enterprise.

^a Communist Party of Viet Nam. 2020. *Draft Report on Review of 2011–2020 10-Year Socio-Economic Development Strategy Implementation, and Formulation of 2021–2030 10-Year Socio-Economic Development Strategy*. Ha Noi.

^b Decree 88/2014/ND-CP, issued in 2014, established the regulatory framework for supervising domestic credit rating agencies. The review under the proposed TA will focus on bringing the regulation in line with recent developments such as the exponential growth of the corporate bond market and the licensure of two domestic credit rating agencies.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
A. Government of Canada^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	1,100.0
ii. National consultants	468.0
b. Out-of-pocket expenditures	
i. International and local travel	356.0
ii. Reports and communication	30.0
iii. Miscellaneous administration and support costs	30.0
2. Surveys	50.0
3. Training, seminars, workshops, forum, and conferences	
a. Facilitators/Resource person	10.0
b. Venue rental and related facilities	221.0
4. Equipment and office supplies	30.0
5. ADB management fee (5%) ^b	135.0
6. Contingencies ^c	270.0
Subtotal (A)	2,700.0
B. Government of Australia^a	
1. Consultants	
c. Remuneration and per diem	
i. International consultants	573.0
ii. National consultants	492.0
d. Out-of-pocket expenditures	
i. International and local travel	47.0
ii. Miscellaneous administration and support costs	20.0
2. Surveys	215.0
3. Training, seminars, workshops, forum, and conferences	
a. Facilitators/Resource person	10.0
b. Venue rental and related facilities	258.0
4. ADB management fee (5%) ^b	95.0
5. Contingencies ^c	190.0
Subtotal (B)	1,900.0
Total	4,600.0

Note: The technical assistance is estimated to cost \$4,724,000, of which contributions from the Government of Canada and the Government of Australia are presented in the table. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, and other in-kind contributions. The value of the government contribution is estimated to account for 2.6% of the total TA cost.

^a Administered by the Asian Development Bank (ADB). This amount also includes ADB's administration fee, audit costs, bank charges, and provision for foreign exchange fluctuations (if any), to the extent these items are not covered by the interest and investment income earned on this grant or any additional grant from the Governments of Canada and Australia. If ADB staff is engaged as resource persons/facilitators for technical assistance (TA) activities, the TA will include allowance for ADB staff travel as resource persons, in accordance with ADB (Budget, Personnel, and Management Systems Department; and Strategy and Policy Department). 2013. *Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget. Memorandum*. 26 June (internal).

^b The donors have confirmed the ADB management fee.

^c The contingency includes 5% of the TA cost for foreign exchange fluctuations.

Source: ADB estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=54445-001-TAReport>

1. Terms of Reference for Consultants
2. Contribution to Strategy 2030 Operational Priorities

Supplementary Document

3. Approved Technical Assistance Concept Paper