

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. **Transport.** Recent Asian Development Bank (ADB) experience in Viet Nam has mainly involved carrying out project preparation for and financing (i) expressway, highway, and road projects; (ii) a railway upgrading project; and (iii) urban mass rapid transit projects. Major investments to develop the Greater Mekong Subregion (GMS) Northern and Southern Corridors are nearly complete, and the Yen Vien–Lao Cai Railway Upgrading in the GMS Northern Corridor Project has been completed. ADB has been actively cooperating with development partners to a significant degree, entering into cofinancing agreements with (i) the Japan International Cooperation Agency (JICA) on the Ho Chi Minh City–Long Thanh–Dau Giay Expressway and the GMS Ben Luc–Long Thanh Expressway; (ii) the Agence Française de Développement and Direction générale du Trésor on the GMS Yen Vien–Lao Cai Railway; (iii) the Australian Agency for International Development and Korea Export-Import Bank on the GMS Southern Coastal Corridor, and on Central Mekong Delta Transport Connectivity; (iv) the Agence Française de Développement, Direction générale du Trésor, and European Investment Bank on the Ha Noi Metro Line 3; (v) KfW and the European Investment Bank on the Ho Chi Minh City Metro Line 2; and (vi) the Nordic Development Fund on the climate change component of the Transport Connections in Northern Mountainous Provinces Project.

2. **Tourism.** As the lead development partner for the GMS program, ADB has actively supported tourism in the subregion, including Viet Nam. ADB's assistance has been complemented by that of other development partners, including Lux-Development's focus on strengthening tourism education and vocational training. German development cooperation through Deutsche Gesellschaft für Internationale Zusammenarbeit, the International Trade Center, JICA, the Government of New Zealand, SNV Netherlands Development Organization, Swisscontact, the WWF, and the Wildlife Conservation Society work with public agencies to improve tourism planning, develop human resources, and help private entities develop and market tourism products. The Pacific Asia Travel Association, with over 1,100 members comprising international airlines, national tourism organizations, media, hospitality providers, and educational institutions, is the leading industry group in the GMS.

3. **Public sector management.** The Economic Management Competitive Credit (EMCC) Program is a joint development partner budget support program aligned with government reform priorities. In addition to ADB, EMCC partners include the World Bank, the Government of Australia, the Canadian International Development Agency, the Department for International Development of the United Kingdom, JICA, and the Swiss State Secretariat for Economic Affairs. The program's objective is enhanced competitiveness, and it supports reform efforts in the following six policy areas: (i) banking, (ii) fiscal policy, (iii) public sector administration and accountability, (iv) state enterprise management, (v) public investment management, and (vi) business environment. The EMCC consists of a programmatic series of three policy-based operations (EMCC 1–3) implemented during 2013–2015.

Major Development Partners

Development Partner	Project Name	Duration	Amount
Transport			
ADB	Sustainable Rural Infrastructure Development Project in Northern Mountain Provinces (road component)	2011–2016	\$108.00 million
	Productive Rural Infrastructure Sector Project in the Central Highlands (road component)	2013–2019	\$38.47 million
	GMS Southern Coastal Corridor Project	2007–2015	\$25.00 million
	GMS Southern Coastal Corridor (cofinanced with the Government of Australia and KEXIM)	2007–2015	\$75.00 million
	Ho Chi Minh–Long Thanh–Dau Giay Expressway (cofinanced with JICA)	2008–2016	\$410.00 million
	GMS: Ben Luc–Long Thanh Expressway	2011–2017	\$636.00 million
	Second Northern GMS Transport Network	2011–2016	\$75.00 million
	Central Mekong Delta Region Connectivity Project	2013–2019	\$860.00 million
	Implementation of the GMS Cross-Border Transport Agreement TA	2006–2011	\$1.70 million
JICA	National Highways and Provincial Roads Improvement	2004–2016	¥27.50 billion
	North–South Expressway Construction Project (Da Nang–Quang Ngai)	2011–2016	¥15.90 billion
	North–South Expressway Construction Project (Ben Luc–Long Thanh)	2012–2017	¥14.10 billion
WB	Da Nang–Quang Ngai Expressway Construction	2011–2016	\$630.00 million
Tourism			
ADB	GMS Mekong Tourism Development Project	2003–2010	\$36.10 million
	GMS Sustainable Tourism Development Project	2008–2014	\$20.00 million
	GMS Tourism Infrastructure for Inclusive Growth Project	2014–2019	\$50.00 million
	Strengthening the Mekong Tourism Coordinating Office TA	2013–2015	\$0.25 million
EU	Human Resources Development in Tourism (Viet Nam)	2004–2010	\$15.80 million
	Environmentally and Socially Responsible Tourism Capacity Development Programme	2011–2015	\$14.70 million
LuxDev	Hospitality and Tourism Development Project (Viet Nam)	1996–2006	\$9.00 million
Public Sector Management			
ADB	GMS Phnom Penh Plan for Development Management TA	2002–2015	\$10.30 million
	Capacity Building and Coordination Improvement for Effective Regional Cooperation Investment Planning	2014–2016	\$0.80 million
	Improving Competitiveness Program	2014	\$230.00 million
WB	Economic Management Competitiveness Credit 1–2	2014	\$250.00 million
JICA	Economic Management Competitiveness Credit 1–2	2014	\$150.00 million
ADB = Asian Development Bank, EU = European Union, GMS = Greater Mekong Subregion, JICA = Japan International Cooperation Agency, KEXIM = Export-Import Bank of the Republic of Korea, Lux-Dev = Luxembourg Development, TA = technical assistance, WB = World Bank.			

B. Institutional Arrangements and Processes for Development Coordination

4. Viet Nam has actively and successfully promoted efficient and effective coordination and cooperation among various development partners and stakeholders. As one of its three main development partners, ADB has played an active role in the consultative group process, and

supported the government in adopting a new mechanism—the Viet Nam Development Partnership Forum—in 2013. ADB has been leading the forum preparation and policy dialogue on financing for infrastructure, economic institutional reforms, efficient service delivery, and private sector development. ADB is also active in the Six Banks group,¹ which has contributed to more effective management of official development assistance from the perspective of the major lenders. It has also supported the strengthening of specific policies and institutions, including the preparation, implementation, and review of the decree on official development assistance management, and measures to improve program delivery and project implementation. In some sectors, relevant working groups coordinate development partners' assistance programs, while in other cases this is done through bilateral or multilateral information sharing and collaborative planning among different partners.

C. Achievements and Issues

5. ADB has been the most active development partner in supporting the country's central region, especially central highlands. Operations funded by the Asian Development Fund have prioritized the central and northern mountainous provinces with wide sector coverage, including transport and other physical infrastructure, rural development, urban and water services improvement, and the delivery of social services.

6. At the request of the Ministry of Planning and Investment, ADB has begun assisting five provinces in the Viet Nam Development Triangle Area (Binh Phuoc, Dak Lak, Da Nong, Kon Tum, and Gia Lai), which participate in the Cambodia–Laos–Viet Nam (CLV) Development Triangle Area (DTA), a tripartite subregional cooperation and integration program. JICA had previously helped develop the CLV-DTA master plan, and provided the three countries with some investment and technical assistance projects. ADB technical assistance approved in December 2013 provided analytical and planning support to the VDTA.² This led ADB to offer further assistance in organizing a development partner forum in April 2014 to discuss the CLV-DTA's strategic direction and priorities, and call for investment and businesses in the VDTA in particular, followed by the preparation of the Support to Border Areas Development Project.

D. Summary and Recommendations

7. ADB has contributed to more inclusive growth in Viet Nam. Going forward, ADB will create more focused and outcome-based synergies and complementarities with relevant government, international, and private stakeholders across relevant subsectors, as well as thematic support interventions. For example, to encourage more inclusive growth synergies, ADB-assisted projects and programs could include (i) more effective safeguards and livelihood restoration and enhancement programs under infrastructure projects, (ii) better targeted initiatives and components to address near poor issues and challenges in urban and rural development, and (iii) more targeted measures to improve access to and the quality of public service delivery, especially for the poor and other vulnerable groups. ADB could also continue to support the government's initiative to strengthen operational efficiency and synergies via a regional development approach.

¹ Comprising ADB, the ADF, JICA, the Export-Import Bank of the Republic of Korea, KfW, and the World Bank, all of which are active lenders to Viet Nam.

² ADB. 2013. *Technical Assistance for Capacity Building and Coordination Improvement for Effective Regional Cooperation Investment Planning*. Manila (TA 8310-VIE).