

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Viet Nam: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
569.00	300.00	5.80	7.05	881.85

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

ADB's country partnership strategy for Viet Nam is based on promoting job creation and competitiveness, increasing the inclusiveness of infrastructure and service delivery, and improving environmental sustainability and climate resilience.

VIET NAM

Viet Nam: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	103	1,836.26	10.99
Education	42	1,038.50	6.21
Energy	56	2,816.09	16.85
Finance	54	1,008.32	6.03
Health	39	566.36	3.39
Industry and Trade	15	201.59	1.21
Multisector	7	153.57	0.92
Public Sector Management	87	1,823.74	10.91
Transport	86	5,684.15	34.02
Water and Other Urban Infrastructure and Services	55	1,581.59	9.46
Total	544	16,710.16	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Viet Nam has enjoyed relative prosperity over the past 5 years. Economic growth—propelled by a surge in foreign direct investment, buoyant domestic consumption, and export-oriented manufacturing—has been strong, while inflation has remained single digit and well-balanced policies have helped maintain macroeconomic stability, improve the business environment, and build investor confidence.

Despite remarkable achievements in reducing poverty, Viet Nam still faces growing income inequality and other socioeconomic disparities, particularly for ethnic minorities and other vulnerable groups. The country is also one that is most at risk of the impacts of climate change, with extreme weather events becoming more common and threatening to undo past development gains. To overcome these challenges, Viet Nam needs to continue to develop a more dynamic and inclusive economy to compete globally and deliver sustainable, equitable growth over the long term.

Viet Nam was one of the founding members of the Asian Development Bank (ADB) in 1966. ADB's cumulative assistance to Viet Nam amounts to \$16.7 billion.

Cumulative loan and grant disbursements to Viet Nam amount to \$10.58 billion. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

Between 2010 and 2018, ADB-supported operations in Viet Nam helped deliver extensive and tangible development results. ADB assisted Viet Nam in constructing or upgrading 2,659 kilometers (km) of roads and

Viet Nam: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	3
	Amount (\$ million)
Loans	325.00
Equity Investments	–
Guarantees	–
Total	325.00

– = nil.



182 km of railway. Over this period, the bank helped provide 175,340 households with access to a new or improved water supply and deliver new or improved sanitation to 135,118 homes. It also helped connect 300,000 rural households to electricity and improve about 135,000 hectares of land through irrigation, drainage, and flood management.

In the finance sector, ADB has supported the Government of Viet Nam's efforts in developing and implementing a financial stability framework, new legal reforms for nonperforming loans resolution, and bank restructuring. The bank has also backed the government in strengthening the framework for capital market development and promoting financial inclusion with a focus on expanding microfinance and financial technology.

In education, ADB assistance has seen 973,340 students (of whom 405,425 are female) benefit from new or improved educational facilities, while 401,518 teachers (of whom 170,340 are female) have been trained to higher quality or competency standards.

In 2018, ADB signed four new projects with Viet Nam, with loans totaling \$569.3 million and technical assistance and grants worth \$800,000.

These investments will help the country upgrade its urban and rural infrastructure, enhance transport connectivity and urban development, support climate change mitigation and environmental sustainability, further strengthen the competitiveness of the economy, and advance regional and global integration.

ADB is committed to sharing knowledge for effective development in Viet Nam while leveraging a wider range of financial and technical support, including private sector development and operations.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances

and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in Viet Nam in 1972. Since then, cumulative direct value-added official cofinancing commitments for Viet Nam have amounted to \$4.58 billion for 56 investment projects and \$118.08 million for 93 technical assistance projects. Cumulative direct value-added commercial cofinancing for Viet Nam has amounted to \$7.54 billion for three investment projects.

Viet Nam: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2007	100.0	2
2008	100.0	4
2009	85.7	7
2010	-	1
2011	100.0	3
2012	100.0	2
2013	50.0	4
2014	83.3	6
2015	75.0	4
2016	75.0	4
2017	66.7	6
2018	100.0	1
Total	79.5	44

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Viet Nam: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans ^a (as of 31 Dec 2018)	54	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	622.21	231.40
Disbursements ^b	483.54	515.99
No. of Ongoing Grants ^a (as of 31 Dec 2018)	1	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	2.92	-
Disbursements ^{b,d}	(0.08)	-
Actual Problem Projects (%) (as of 31 Dec 2018)	12	

- = nil, () = negative.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Viet Nam: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	17	6,205.60
Grants	8	23.84
Official loans	7	1,833.82
Commercial cofinancing	2	4,347.94
Technical Assistance Grants	16	22.81

^a A project with more than one source of cofinancing is counted once.

Viet Nam: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	524.16	5.14	343.00	2.73	7,118.43	3.94
Consulting Services	10.53	1.41	9.66	1.39	164.32	1.29
Total Procurement	534.69	4.89	352.66	2.66	7,282.75	3.76

Top 5 Contractors/Suppliers from Viet Nam Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Civil Engineering Construction Corp.	TRA	64.05
Phuong Thanh Transport Construction and Investment JSC & Quyet Tien - Anh Giang - Thang Loi (JV)	TRA	56.33
Hoang An JSC	TRA	51.83
Power Construction JSC No. 1	ENE	50.46
Sai Gon Ha Noi Commercial Joint Stock Bank	PSM	43.01
Others		2,327.91
Total		2,593.59

ENE = energy, PSM = public sector management, TRA = transport.

Top 5 Consultants from Viet Nam Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Vica Consultants International Ltd.	ANR	4.65
AMD I (Asian Management and Development Institute)	ANR, EDU, IND	4.40
Viet Nam Water, Sanitation and Environment JSC	WUS	3.25
WWF (World Wide Fund For Nature) Viet Nam	ANR	2.86
Center for Development of Community Initiative and Environment	ANR	2.50
Individual Consultants		13.35
Others		34.18
Total		65.18

ANR = agriculture, natural resources, and rural development; EDU = education; IND = industry and trade; WUS = water and other urban infrastructure and services.

In 2018, Viet Nam received \$6.75 million in grant cofinancing from the [Netherlands Trust Fund under the Water Financing Partnership Facility](#), [Global Environment Facility](#), and the [Urban Climate Change Resilience Trust Fund](#) for two investment projects.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/viet-nam/cofinancing.

PARTNERSHIPS

ADB is one of Viet Nam's top three development partners, in terms of both the size and coverage of the bank's assistance program.

Coordination with development partners is conducted during country programming missions and sector working group meetings, as well as through the 6 Banks Group (ADB, Agence Française de Développement, the Japan International Cooperation Agency, the Export–Import Bank of Korea, German development cooperation through KfW, and the World Bank).

On 31 March 2018, ADB helped the government successfully host the [6th Greater Mekong Subregion \(GMS\) Summit of Leaders](#) in Ha Noi. The GMS Summit endorsed the [Ha Noi Action Plan 2018–2022](#) and the [GMS Regional Investment Framework 2022](#) with total estimated funding of \$60 billion for nearly 200 regional projects. ADB also actively participated in the Sixth Assembly of the Global Environment Facility held in Da Nang in June.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Viet Nam, 10,884 contracts worth \$7.12 billion have been awarded to contractors and suppliers since 1966.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Viet Nam, 2,085 contracts worth \$164.32 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

Although fiscal constraints limiting official development assistance and counterpart fund disbursement eased slightly in 2018, national legislation to restrict public debt continues to affect ADB operations in Viet Nam. Other challenges include lengthy and complex government procedures and regulations for project processing and during project implementation.

To address these issues, ADB and other members of the 6 Banks Group are engaging lawmakers and the government to strengthen medium-term investment planning, harmonize budget allocations of official development assistance with disbursement needs, and strengthen procurement capacity and safeguards compliance. ADB is working with counterparts to promote widespread use of the government's electronic procurement system, including for ADB-financed works and goods. It is also collaborating with the government and development partners to mobilize funding for detailed engineering design preparation early in the project cycle to enhance readiness.

FUTURE DIRECTIONS

ADB's [country partnership strategy \(CPS\)](#), 2016–2020 for Viet Nam is based on promoting job creation and competitiveness, increasing the inclusiveness of infrastructure and service delivery, and improving environmental sustainability and climate resilience.

The priorities of the CPS are strongly aligned with the government's socioeconomic development strategy, 2011–2020 and its accompanying socioeconomic development plan, 2016–2020. They are also consistent with the operational priorities in ADB's [Strategy 2030](#).

Viet Nam graduated to a Group C country, with access only to ordinary capital resources, on 1 January 2019. ADB will help Viet Nam build a new core pipeline of projects that includes more responsive financing modalities and value-adding innovations and technology, and can leverage either

more concessional cofinancing or increased private sector participation, including through public–private partnerships. ADB will also continue to support climate change adaptation and mitigation measures to respond to the heightened environmental risks facing Viet Nam.

ABOUT VIET NAM AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	36,228 (0.341% of total shares)
Votes:	75,925 (0.571% of total membership, 0.878% of total regional membership)
Overall capital subscription:	\$503.86 million
Paid-in capital subscription:	\$32.70 million

In-chang Song is the Director and **Bobur Khodjaev** is the Alternate Director representing Viet Nam on the ADB Board of Directors.

Eric Sidgwick is the ADB Country Director for Viet Nam. The Viet Nam Resident Mission was opened in 1997 and provides the primary operational link for activities between ADB and the government, the private sector, and civil society stakeholders. The resident mission engages in policy dialogue and acts as a knowledge base on development issues in Viet Nam.

The Viet Nam government agencies handling the partnership with ADB are the State Bank of Viet Nam, Ministry of Finance, and Ministry of Planning and Investment.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes:

ADB welcomed Niue as its 68th member in March 2019.

ADB recognizes "Korea" as the Republic of Korea.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.