

**Spanish
Trade Mission
HA NOI, VIET NAM
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ADB: Project Cycle

- ❑ **Country Partnership Strategy 2006 – 2009**
 - Updated Mid Term Review and Country Operation Business Plan (2009)
 - Upcoming 2011 – 2015 inline with SEDP Viet Nam

- ❑ **Project Identification Document:** Online updated every quarter

- ❑ **Procurement website:**
 - ❑ Online Registration CMS
 - ❑ Access to EOI for Individual Consultants (7 days) and Firms (30 days)
 - ❑ Contracts and Consultants based on FIDIC (available online)

ADB rules and Guidelines apply for Technical Assistance and Loans for procurement and Safeguards (environment, resettlement, ethnic minorities)

- ❑ **Technical Assistance (ADB):** Identification – Preparation – Appraisal
Loan Processing and Approval (ADB/VN)
Project Implementation (VN) – Evaluation (ADB)



ADB / VN Water & Sanitation / Urban

- ❑ **Central Region Rural Water Supply and Sanitation (2009)**
 - Recruitment of Consultant: ongoing - Contracts 2011 - 2015

- ❑ **Thanh Hoa City Comprehensive Socioeconomic Development Project (2009)**
 - Recruitment of Consultant: ongoing (i) Detailed Design and Supervision (\$5 M) and (ii) Capacity Building water and wastewater companies (\$2 M)
 - Contracts 2011 – 2015 (Vocational Training, Urban Roads, Tourism, Wastewater and Water Supply)

- ❑ **Technical Assistance (2010 – 2011)**
 - PPTA Comprehensive Socioeconomic Development of 3 cities (\$1.5 M)
 - PPTA Industrial Wastewater Management Sector Loan (\$1.4 M)
 - PPTA Coastal Cities Sanitation and Climate Change (\$1.5 M)
 - PPTA Ha Giam Water Supply and Sanitation (\$1.2 M)
 - CDTA Water Supply Efficiency Water Companies
 - CDTA Sanitation Central and Local Government Capacity Building
 - TA 10 Cities Sanitation Strategies (MOC and MPI)

- ❑ **Multitranches Financing Facility for Viet Nam Water Supply Sector (Oct 2010)**
 - PFR1 2010: Hue, Hai Phong and HCMC(?)
 - 3 PFR2 2011: Danang, HCMC, Dong Ha, Ha Noi (?), NRW (MOC)

ADB Grant Funding

- ❑ **TECHNICAL ASSISTANCE:** Project Preparation, Sector Works
- ❑ **ADB Budget (TASF), ADB National Trust Fund, Bilateral Cooperation**
- ❑ **WATER AND SANITATION:** Water Financing Partnership Facility
 - Pilot Demonstration Activity: Up to \$50K
 - www.adb.org/water
- ❑ **ENERGY:** Clean Energy Financing Partnership Facility (CEFPPF) and Climate Change Fund (CCF)
www.adb.org/energy

ADB Traditional Financing Instruments

❑ SOVEREIGN FINANCING THROUGH MINISTRY OF FINANCE

- Onlending: Prime Minister Decision 181/2007 QD/TTg

❑ Asian Development Fund (ADF)

- Concessional for Low Income Countries
- Maturity 32 years, incl. 8 years Grace Period
- Interest 0.75% during Grace Period and 1% afterwards

❑ Ordinary Capital Resources (OCR)

- For revenues generating projects: Energy, Tollways, Water Supply
- Maturity 24 years with 6 years Grace Period
- Variable Interest LIBOR + 0.20% (after rebate)
- Fixed interest and multiple currencies: USD, Euro, Yen

❑ NON SOVEREIGN FINANCING: Private Sector

- Close to Commercial Rates

ADB New Financing Instruments

- ❑ **MultiTranche Financing Facility (MFF)**
 - “Finance as you go” - flexible structures
- ❑ **Subsovereign Lending**
 - Target state owned enterprises & LGUs
- ❑ **Refinancing**
 - Salvage good projects with bad financing plans
- ❑ **Local Currency Lending**
 - Avoid “currency mismatch” risks

Credit Enhancement Products: Political Risk Guarantee (PRG)

Up to 100% coverage for loss due to:

- Currency inconvertibility/non-transfer (CI/NT)
- Expropriation/discriminatory government action (Expropriation)
 - Adverse change in agreed regulatory environment or tax regime
- Political Violence (PV)
 - Can include terrorism/sabotage

PRG

And / or

Arbitration Award Default/Denial of Justice

- Supply contracts/Off-take agreements
- or other government undertakings

... also called “Extended Cover” and ... an area that ADB is particularly interested in

Partial Credit Guarantee

- Provides 'comprehensive' cover
 - Political risks, and
 - Commercial (or credit) risks
- For part of debt owed by
 - Governments, SOEs or commercial borrowers under
 - term loans, notes, bonds
 - SMEs and other targeted borrowers in a portfolio under a "Facility"

PCG

- Denominated in major convertible currencies
- But more importantly, can also cover local currency debt to:
 - Mitigate FX risk
 - Help develop local capital markets