## Viet Nam: Financial Sector Development and Inclusion Program, Subprogram 1

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Financial Sector Development and Inclusion Program, Subprogram 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number</td>
<td>49331-001</td>
</tr>
<tr>
<td>Country</td>
<td>Viet Nam</td>
</tr>
<tr>
<td>Project Status</td>
<td>Approved</td>
</tr>
<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
</tr>
<tr>
<td>Source of Funding / Amount</td>
<td>Loan 3743-VIE: Financial Sector Development and Inclusion Program concessional ordinary capital resources lending / Asian Development Fund</td>
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</table>

### Strategic Agendas
- Inclusive economic growth
- Regional integration

### Drivers of Change
- Governance and capacity development
- Knowledge solutions
- Private sector development

### Sector / Subsector
- Finance
  - Finance sector development
  - Inclusive finance
  - Insurance and contractual savings
  - Money and capital markets

### Gender Equity and Mainstreaming
- Some gender elements

### Description
ADB will use a programmatic, policy-based lending modality to support the government’s reform agenda. This approach, which combines extensive policy dialogue with technical assistance (TA), recognizes the long-term time horizon required for financial sector development, the need to sequence reforms, and the catalytic role played by ADB.

### Project Rationale and Linkage to Country/Regional Strategy
To achieve middle-income country status and further reduce poverty by 2020, Viet Nam will need to continue reforms under the Socio-Economic Development Strategy (SEDS) 2011-2020, including efforts to develop its financial sector and broaden access to finance. The Financial Sector Development and Inclusion Program will continue ADB’s support to financial sector development and will: (i) enhance financial sector stability, (ii) continue developing and deepening the domestic capital markets, and (iii) promote financial inclusion. The program is consistent with ADB’s interim country partnership strategy and is included in the country operations business plan, 2016-2018, approved in 2015.

### Impact
The program is aligned with the Socio-Economic Development Strategy (SEDS) 2011-2020 and will support the government’s efforts to increase the role of the nonbank financial sector and deepen the financial markets in Viet Nam.

### Project Outcome
A deeper, more inclusive financial sector.

### Status of Implementation Progress (Outputs, Activities, and Issues)
1. Financial sector stability strengthened.
2. Domestic capital market broadened and deepened.
3. Financial inclusion promoted

### Geographical Location
Nation-wide

### Safeguard Categories
- Environment: C
- Involuntary Resettlement: C
- Indigenous Peoples: C

### Summary of Environmental and Social Aspects
- Environmental Aspects
- Involuntary Resettlement
- Indigenous Peoples
- Stakeholder Communication, Participation, and Consultation
- During Project Design
- During Project Implementation

### Business Opportunities
The TA budget allocates 4 person-months of consulting inputs to one consulting firm, 20 person-months of consulting inputs to international consultants, and 8 person-months of consulting inputs to national consultants. Areas of focus include (i) strengthening problem banks and NPL resolution, (ii) reducing friction costs in securities markets, (iii) applying risk-based capital to the insurance sector, (iv) encouraging market development, (v) introducing derivatives, (vi) encouraging the development of financial technology, and (vii) improving the supervision of microfinance and microinsurance. The executing agency for the TA will be the SBV, and the implementing agencies will be the SBV, MOF, and State Securities Commission. The TA will be implemented from January 2018 to December 2020.

The executing agency is the SBV, and the implementing agencies are the MOF, State Securities Commission, Hanoi Stock Exchange, and SBV. Subprogram 1 was implemented from July 2015 to December 2016; subprogram 2 began in January 2017 and will be implemented through June 2018.

### Responsible ADB Officer
Nguyen, Duong T.

### Responsible ADB Department
Southeast Asia Department

### Responsible ADB Division
Public Management, Financial Sector and Trade Division, SERD

### Executing Agencies
State Bank of Vietnam
ADB@GOSBV.ORG
47-49 Ly Thai To Street
Hanoi
Vietnam

### Timetable

<table>
<thead>
<tr>
<th>Event</th>
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<tbody>
<tr>
<td>Concept Clearance</td>
<td>22 Apr 2016</td>
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<tr>
<td>Fact Finding</td>
<td>13 Feb 2017 to 17 Feb 2017</td>
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<tr>
<td>MRM</td>
<td>23 May 2017</td>
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<tr>
<td>Approval</td>
<td>04 Dec 2018</td>
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<tr>
<td>Last Review Mission</td>
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<td>Last PDS Update</td>
<td>04 Dec 2018</td>
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### Loan 3743-VIE

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<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
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<tbody>
<tr>
<td>04 Dec 2018</td>
<td>-</td>
<td>-</td>
<td>30 Jun 2020</td>
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### Financing Plan

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<th>Others</th>
<th>Net Percentage</th>
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<td>Cumulative Contract Awards</td>
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### Project Page
https://www.adb.org/projects/49331-001/main

### Request for Information
http://www.adb.org/forms/request-information-form?subject=49331-001

### Date Generated
08 June 2019

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