Country Partnership Strategy: Viet Nam, 2023–2026
—Fostering Inclusive, Green, and Private Sector-Led Growth
1. On 9 September 2022, the Board of Directors of the Asian Development Bank (ADB) generally endorsed the country partnership strategy (CPS) 2023–2026 for Viet Nam. Directors commended Viet Nam’s remarkable economic and social development. However, substantial development challenges remain, including addressing inequality, strengthening and growing the private sector, and tackling the impacts of climate change. Directors welcomed the CPS strategic pillars of (i) transitioning to a green economy; and (ii) harnessing the country’s private sector and promoting social equity. The strategy is supported by four crosscutting themes of gender equality, governance, digital transformation, and regional cooperation and integration.

2. Directors welcomed the heightened commitment of the Government of Viet Nam to achieve net zero carbon emissions by 2050 and increase the targeted reduction of greenhouse gas emissions by 2030. Directors urged staff to maintain a high-level dialogue with the government to further mainstream climate change into the country’s Socio-Economic Development Plan 2021–2025, and to support Viet Nam’s energy transition to zero carbon via a combination of sovereign, nonsovereign, and knowledge solutions. Some Directors also stressed the importance of aligning the CPS with the Just Energy Transition Partnership through the deployment of the Energy Transition Mechanism. Given Viet Nam’s high vulnerability to the impacts of climate change, Directors appreciated a strong focus of the CPS on climate adaptation and encouraged staff to ensure that climate adaptation efforts are prioritized and fully resourced. Some Directors recommended strengthening the CPS template to sufficiently capture the countries’ climate change commitments and ADB’s response.

3. Some Directors emphasized the importance of maintaining ADB’s relevance in an environment where developing member countries seek value by adding support beyond traditional sovereign financing. Directors noted the importance of reforming the finance sector and state-owned enterprises. Directors urged staff to ensure social equity initiatives are given adequate attention. In the context of Viet Nam’s official development assistance processes and procedures, Directors noted the need to maintain a flexible programming approach and underlined the importance of maintaining strong development partner coordination.

4. Directors supported the operational shift to the provincial level and requested relevant capacity be developed in the ADB Viet Nam Resident Mission. Directors commended the country knowledge plan (CKP), highlighted the importance of ADB building its own expertise for CKP implementation, and encouraged staff to include both qualitative and quantitative indicators to support the monitoring of the CKP implementation. Directors welcomed the One ADB approach.