

# National Workshop on Infrastructure Financing Strategies in Viet Nam

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## Infrastructure Financing in Viet Nam: **Trends & Opportunities**

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# Trends & Opportunities in financing infrastructure in Viet Nam

1. Improving public expenditure efficiency in infrastructure
2. Mobilizing domestic resources for infrastructure
3. Promoting private investment in infrastructure
4. Tapping capital markets for infrastructure projects
5. Developing regulatory and capacity

## Improving public expenditure efficiency in Infrastructure

- Improving the efficiencies in project planning, resource allocation and project procurement and optimizing investment can save \$billion in infrastructure investment
- Improving project delivery, streamlining permit approvals, facilitation land acquisition, improving public procurement and enhancing governance
- Maximizing the use of existing infrastructure assets and reforming SOEs

## Mobilizing domestic resources for infrastructure

- Mobilization of domestic resources through on-going tax reforms is a key to the sustainable financing of infrastructure
- Reversing the decline in the revenue to GDP ratio is vital to a sustainable path
- Balancing capital expenditure in state budget

## Promoting private investment in infrastructure

- Incentivizing PPP models, setting infrastructure funds and facilities (VGF, etc.)
- Providing certainty to investors (minimize political & regulatory risks, remove “investment barriers”, etc.)
- Leveraging public resources (including ODA) to mobilize private investment in infrastructure
- Streamlining project delivery

## Tapping capital markets for infrastructure projects

- Capital markets can potentially provide significant amount of both equity and debt for infrastructure projects
- Developing capital markets (banking sector, bond market, securitization, credit rating agency,...) is a crucial mandate within public sector
- The introduction of securitization and project revenue bonds would help to develop capital markets by adding new asset classes to the market

## Developing regulatory and capacity

- Developing PPP framework and policies to channel private investment in infrastructure
- Developing bankable infrastructure project pipeline
- Institutional and legal and capacity development
- Governance improvement in policy making and project procurement

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