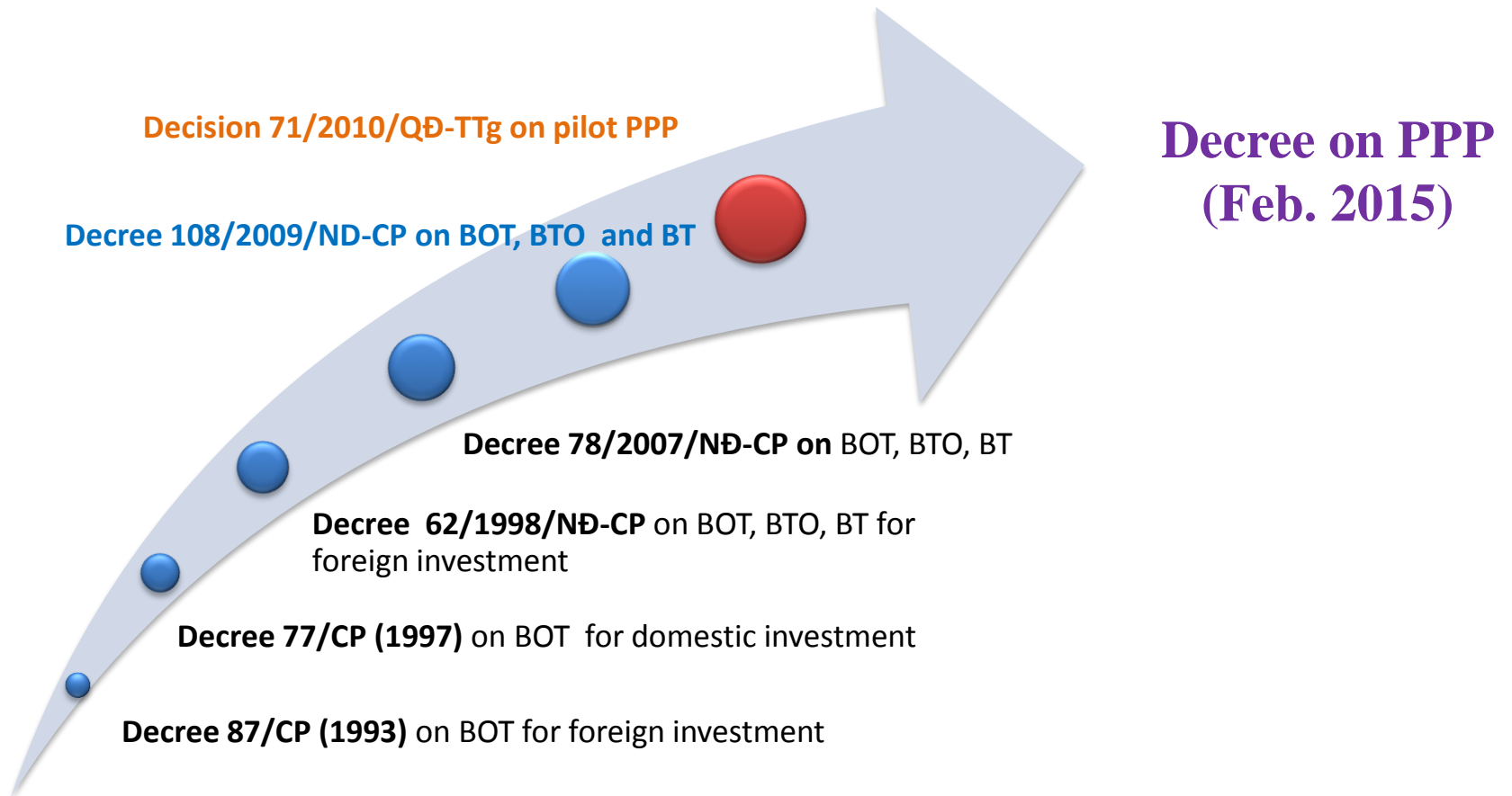




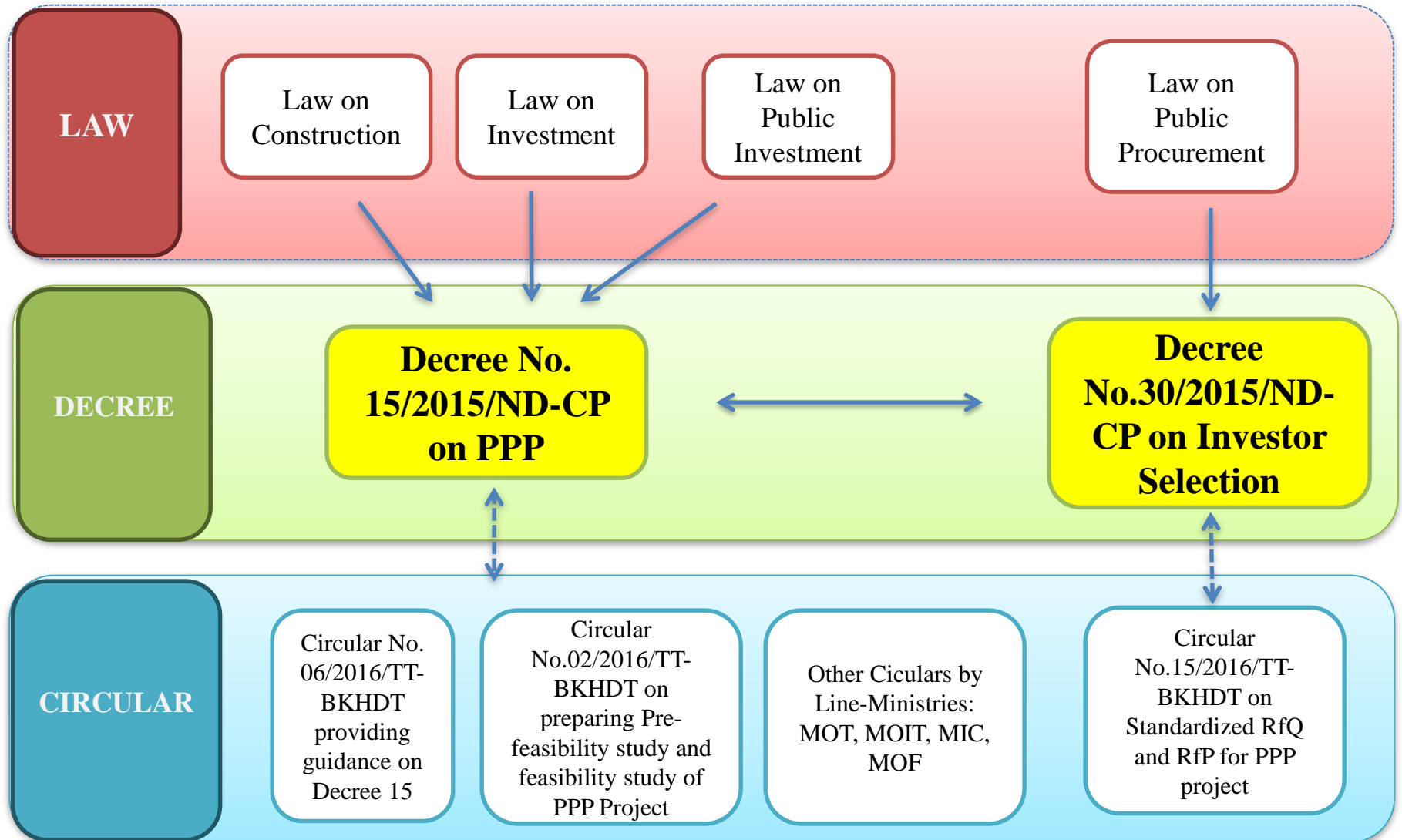
Overview of PPP legal framework and risk allocation

Bankok, 6-7 Dec, 2017

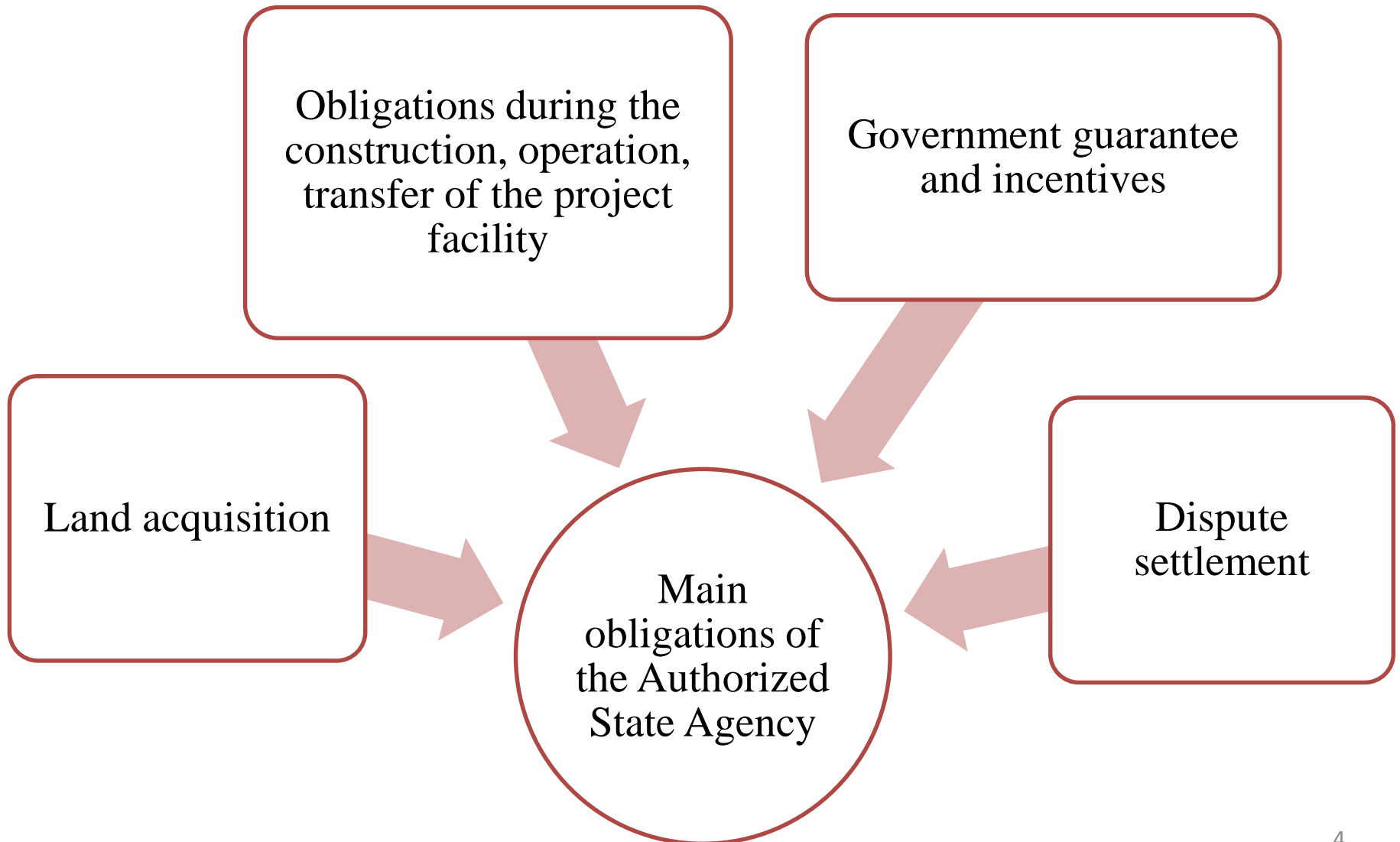
Overview of PPP legal framework in Vietnam



Overview of PPP legal framework in Vietnam



Risk allocation – Main obligations of the Authorized State Agency



- The Provincial People's Committee (PC) is responsible for site clearance and handover of the project site to the investor.
- The Authorized State Agency signing the PPP contract shall cooperate with the PC during land acquisition and handover.

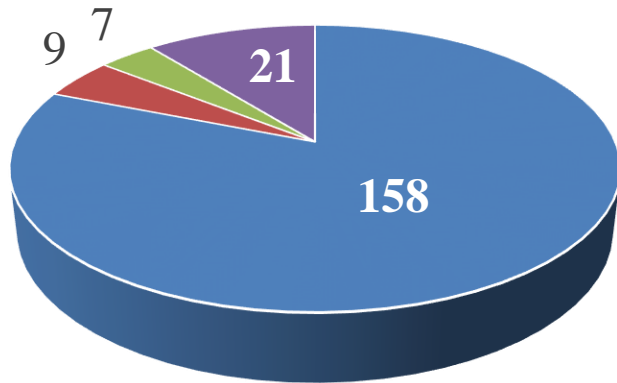
Obligations during construction, operation and transfer of the project facility

- The Authorized State Agency shall supervise the quality and progress of construction of project facilities, the availability of service provided, the quality and number of items under the project facilities to be transferred at the end of the contract term.
- For BT project, the ASA is obliged to pay the investor using the value of the land use right of Another Project.

- Government incentives: (1) Reduction or waiver of tax liabilities; (2) Reduction or waiver of the land use revy and land rental.
- Government guarantee: (1) on foreign currency; (2) offtake contracts; (3) ensure that the land use remains unchanged during the contract term.

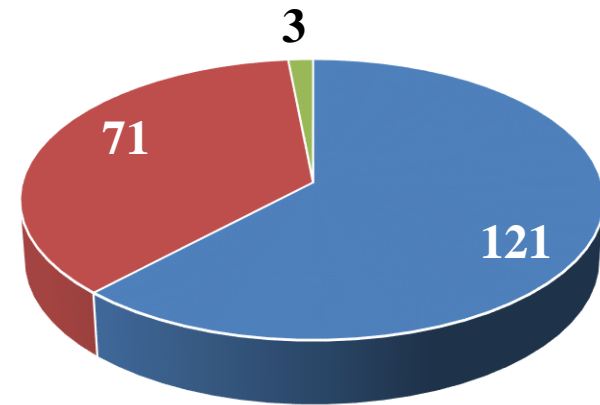
- Method of dispute settlement: (1) Mediation or negotiation; (2) Dispute settlement via Vietnamese court or Vietnamese/foreign arbitration
- Applicable law: (1) the law of Vietnam; (2) Parties may choose the foreign law in case the selected investor is foreign one.

Project Sector



- Transport
- Energy
- Water supply, sewage treatment
- Other

Type of Contract



- BOT
- BT
- BOO

- Rush to get construction done
- Unsolicited proposals of unbalanced risks
- Non-competitive selection
- Lack of understanding about business' investment decision
- Reluctance to take into account commercial risks by authorities
- “Wait and see” attitude toward government capabilities to honor covenants

SUGGESTIONS

- Plan comprehensively and reserve time for well preparation
- Impose competition to unsolicited bids
- Facilitate the bidding with standard RFP, RFQ and standardized contracts
- Capacity building on PPP aspects
- Test/Try some of risk sharing schemes
- Build up sound market, with the PPP Law

Embed PPP programs and PPP projects with SDGs for public interests and sustainable development



THANK YOU!

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