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# Thinking about the World Bank and North Korea

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## Introduction

Any prediction of the future role of international financial institutions (IFIs) in the North Korean context depends inherently on prior political assumptions. There are undoubtedly important matters to be discussed on the potential role of these international agencies, were some form of integration to occur on the Korean peninsula; however, for the purposes of this chapter I assume that this is not the course that will be taken. Rather, I examine the case in which North Korea becomes a new entrant into the international community and therefore seeks entry to the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank (ADB). In this scenario, commonalities with other countries that began to interact with the IFIs become important. Specifically, this chapter focuses on the process by which Vietnam began to relate to the IFIs and on the lessons to be derived from that experience.

Why Vietnam? Some commentators on North Korea would say that the industrial sector is considerably larger, at least in relation to GDP and in terms of employment levels, than was true of Vietnam; they may also point to the income levels in North Korea, which have been estimated to range from \$200 to \$2,000 per capita; and finally they may well comment on the different level of commitment to economic reform

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that appears to exist in North Korea today as compared to Vietnam in 1987.

Nevertheless, I believe the commonalities are in fact quite strong, based first on the exceedingly low per capita income of both countries—Vietnam in the late 1980s was said to have had an income level in the \$150 to \$200 per person range, although all estimates of that kind were fraught with uncertainty due to the past practices in national income accounting and the size of the underground economy. I tend to believe that the income levels in North Korea are closer to the lower bound mentioned than they are to the upper bound.

Second, Vietnam, like North Korea today, relied heavily on barter and other trading arrangements outside of the established international trading community. This, plus its limited number of trading partners, makes predicting potential comparative advantage and future volumes of international trade very difficult.

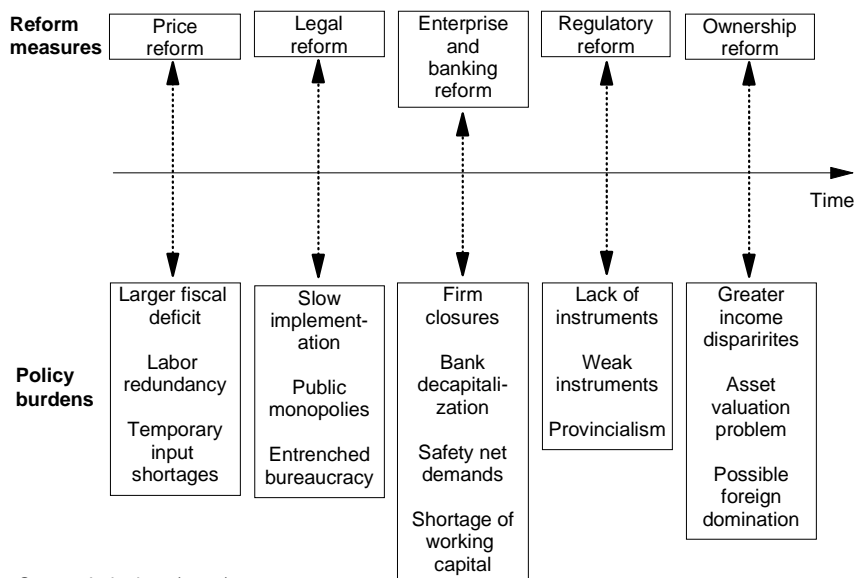
Third, Vietnam in the 1980s, and North Korea today, experienced severe food deficits, was dependent on food imports, and strove for self-sufficiency in rice. Feeding the population was thus a similar national priority.

Fourth, each country had a southern partner—the former South Vietnam and South Korea, respectively—that was driven by market economics and seemingly doing quite well under that system. Clearly having an economy of considerably different economic strength at one's border or as part of the country can create tremendous difficulties with respect to income disparities, location of industry, and political dynamics.

Last, Vietnam was faced with a large military in need of eventual demobilization, thereby creating a large surplus of labor that for reasons of political stability needed to be rapidly absorbed into the economy, a situation again analogous to that in North Korea. All of these reasons combine to make the Vietnamese parallel quite interesting for North Korea.

Countries such as Vietnam and North Korea begin their development sagas in a position that economists would describe as being considerably inside their "production possibility frontier." The inefficiencies caused by the existing resource allocation systems are such that there are large and immediate benefits to an initial round of reforms. In this chapter I will sketch out the nature of those reforms and their economic outcomes. In this context, the role of the IFIs in Vietnam was crucial, both in their early advisory work and in their technical assistance. Their impact was economywide and they emerged finally in the more traditional role of multilateral financiers of development programs. The important point is that during the period 1989 to 1993 the multilateral development banks (MDBs) did no lending whatsoever in Vietnam. Their role was confined to advisory work and technical assistance, and this played an extremely important part in Vietnam's early reform program. The

**Figure 1 Vietnam: Transition sequence and consequences**



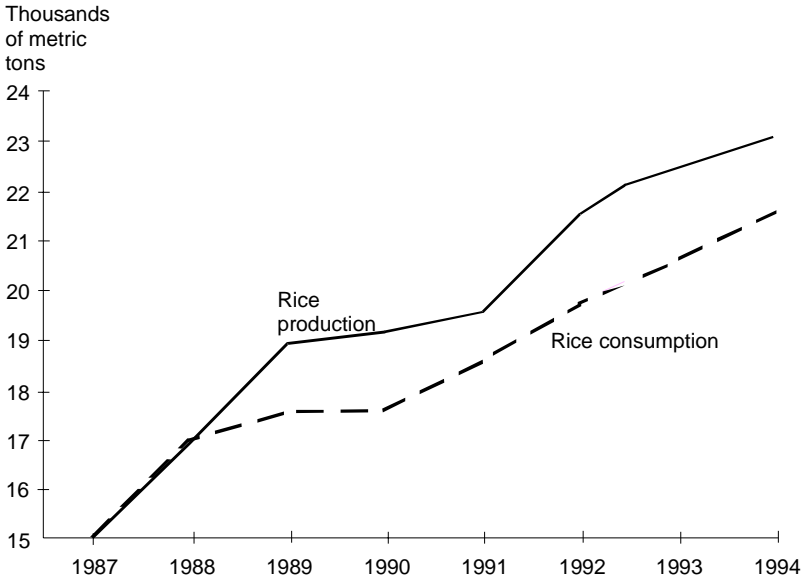
chapter concludes by sketching out as well a hypothetical scenario for North Korea in its possible future relations with the IFIs.

## The Case of Vietnam

### The Transition Sequence

There is a substantial literature on the sequence of reforms in transition economies, and the case of Vietnam has added considerably to that understanding (see Gray and Gelb 1991; Dollar 1993; World Bank 1996). As can be seen in figure 1, the time line of reform in Vietnam began quite distinctly with price reform. By freeing the price of rice and also altering land tenure arrangements, the government was quickly able to reverse the food deficit, moving within the space of two years from being a net importer of rice to being a net exporter of 1.5 million metric tons. It was made possible by letting the rice price rise freely and by providing incentives for farmers to increase their yields. This phenomenon benefited all areas of Vietnam, but it particularly helped some of the areas in the northern part of the country that had been disadvantaged in the past. The subsequent gains in rural incomes proved to be a useful device for reintegrating the many hundreds of thousands of

**Figure 2 Vietnam rice production and consumption, 1987-94**



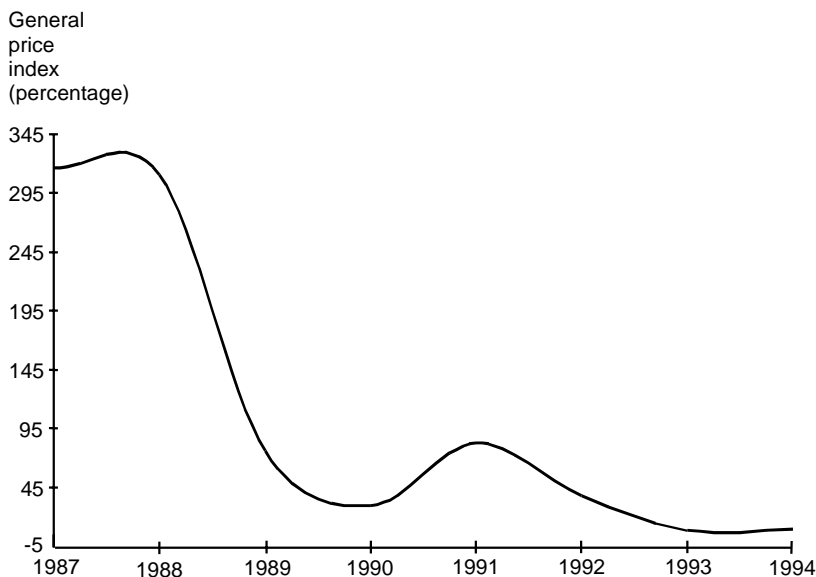
Source: World Bank (1996)

Vietnamese soldiers who were being demobilized during this period. (Given the relatively small enterprise sector, which was mostly dominated by state firms, this would prove to be an important element in the reform sequence.) The effects of price reforms on rice production and consumption can be seen in figure 2.

Price reforms were extensive; beginning in 1989 the government very rapidly disengaged from any form of price setting and price controls. This entire sequence of reform was guided by the IMF, which, through its missions in 1989 and 1990, was able to successfully advise the authorities in the area of monetary management, enabling the government to reassert monetary control. As a result, the inflation rate in Vietnam, which reached levels of 300 percent in 1988, was reduced to practically zero by the middle of 1989 and, as seen in figure 3, has remained extremely low since. Strong macroeconomic management provided the underpinnings for the subsequent rounds of policy reforms of the enterprise and financial sectors. These reforms were undoubtedly assisted by the existence of entrepreneurship, particularly in the south, and by the rapid flow of both remittances and foreign investment capital. Vietnam benefited, as North Korea well might, from the ample supply of surplus capital elsewhere in the region.

As noted in figure 1, it took longer to undertake legal reforms to secure the property rights and business rules and procedures that would

**Figure 3 Vietnam's inflation, 1987-94**



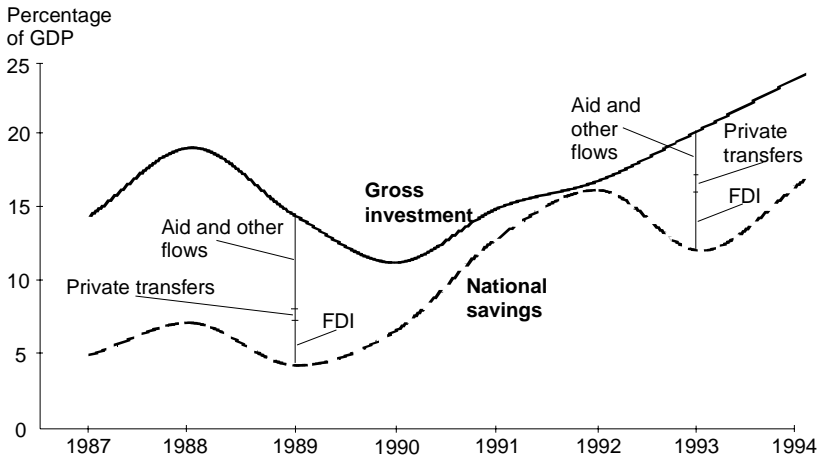
Source: World Bank (1996).

be necessary to attract foreign direct investors. There was always a concern in Vietnam, as would be the case in North Korea, that “carpet-baggers” would quickly swallow up the productive capacity of the country. The government tried through the vehicle of joint ventures and other means to maintain control over the foreign direct investment process, although this undoubtedly contributed to the relatively slow build-up of such investment in Vietnam.

One of the amazing features of the Vietnamese reform was its swiftness, and, as a consequence, its rather dramatic positive outcome. As can be seen in figure 4, the savings rate as a proportion of GDP grew from approximately 5 percent in 1989 to 15 percent by 1994, and as a result gross investment also grew dramatically. In the early years much of the savings gap was closed through private transfers and some amounts of foreign aid. Over time, however, the composition of net capital inflows has changed to favor investors and other forms of capital. As a result of increases both in the savings rate and in the efficiency with which the Vietnamese economy operated, the growth rate in Vietnam has been high; the size of the economy has increased from approximately \$30 billion in 1986 to over \$50 billion by 1993.

*Rapid growth* was a consequence of a sizable expansion in exports, seen in figure 5: exports essentially multiplied tenfold within a seven-year period. At the same time, there was a dramatic shift away from

**Figure 4 Vietnam's gross domestic investment and savings, 1990-94**



Source: World Bank (1996).

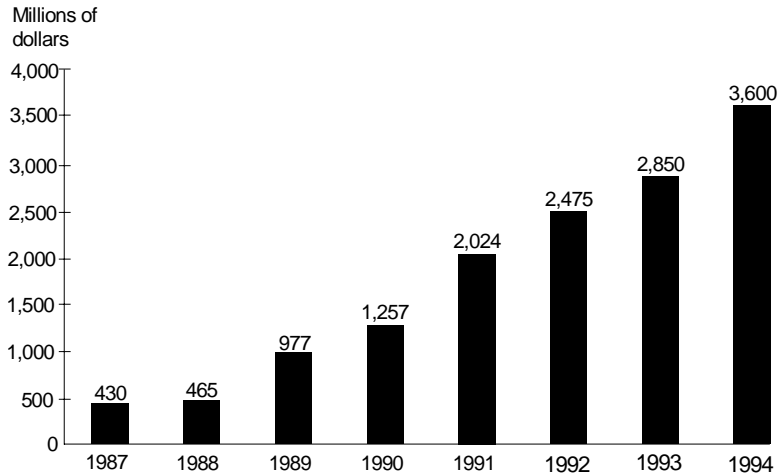
Council for Mutual Economic Assistance (COMECON) trade to international trade and a shift in trading partners. Vietnam also benefited from a collapse of the Russian ruble, thereby saving itself approximately \$10 billion in debt repayments. The most important feature of Vietnamese growth in the late 1980s and early 1990s was that it was export driven and had a very low reliance on international capital inflows. Indeed, because of political factors, both the World Bank and the ADB were unable to lend to Vietnam until 1993, forcing the country to continue to be relatively self-reliant, although there were some bilateral donors and providers of short-term credits.

## Potential Lessons from Vietnam

### Pragmatic Reform Vision

**Pace of Reform** The importance of initial price reforms cannot be overestimated. Their effect in agriculture was obvious, but they also worked throughout the economy to provide proper price signals for resource allocation. Although the agricultural sector in North Korea is considerably smaller than in Vietnam and land quality is lower, one should always remember that self-sufficiency in rice production is something that most Asian countries in general—and Korea in particular—prize very highly. While no one would suggest making an excessive investment in agriculture, which would undoubtedly be unsupported by comparative advantage, there are strong social and political gains to be derived in

**Figure 5 Vietnam's convertible exports, 1987-94**



Source: World Bank (1996).

achieving self-sufficiency in rice. This was an element of the earliest reforms in development strategy in South Korea, and it may well be as important in North Korea as it proved to be in Vietnam.

**Rules of the Game** In order to attract foreign investment of any kind, it was important to establish rules of the game with which investors were comfortable. This included the ability to repatriate earnings and to bring in capital equipment at very low tariff rates. There were also relatively few impediments in the labor market, thus providing new sources of employment. Such freedom is extremely important, since any state-enterprise reform program would inevitably involve downsizing and redundancies in the enterprise sector. In order to maintain employment levels, therefore, it is imperative that there be an inflow of capital into new industries so that they will grow and provide jobs.

**Macro Stability** A key to the Vietnamese reforms was avoiding inflation and paying continued attention to macroeconomic stability. Throughout the reform process, care was taken to maintain macro balances, thereby bolstering the confidence of the external community as well as the population that hyperinflation would not reoccur.

**Maintenance of Safety Nets** The government had long been committed to an extensive system of social protection. Major efforts were undertaken to finance social expenditures for health and education in order to maintain the basic services that were essential for the quality of life. While

there were some stresses on the fiscal side and also some deterioration in their quality, the government continued to remain committed to providing adequate health and education services to the population.

**International Price Signals** The government was extremely open in its handling of international trade and progressively open in its handling of the capital account. Because Vietnam allowed itself to be rapidly integrated with the international trading system, a new range of export products emerged; moreover, surrounding countries in East Asia were willing to invest in Vietnam to take advantage of low labor cost and other advantages in order to produce efficiently for regional and international markets.

### Institutional Coherence

**Reform-Minded Team** Around the core of economic reformers, the Vietnamese gradually built teams spreading across key ministries to push forward the program of economic reforms. While there were inevitably holdouts, and political accommodations had to be made, the momentum of reform was maintained. It was extremely important that policies were coherent and nonreversible. This enabled the reform process to take hold and to generate sizable benefits.

**Pragmatism over Ideology** While in a number of areas of reform, such as political reform and human rights, the Vietnamese have been slow, there was no hesitancy to embrace pragmatic economic policy. Other countries in East Asia have shown a similar pattern, putting aside ideology in favor of pragmatic economic actions (Leipziger 1997).

**Coordination** As a result of the war and previous hostilities, the cadre of leaders clearly was a tightly knit group, and the political leadership was able to establish consistency across ministries and sectors to enable the reform program to maintain internal integrity. This was particularly important given the uneven pace of reforms. Relying on young technocrats, the party elders were able to sustain enough support for the reform process to keep it coherent and intact.

**Development of New Institutions** With the help of international agencies there was an improvement in Vietnam's ability to create the new institutions that would be necessary to manage a market economy. Although slower to address the areas of regulation and oversight, the Vietnamese were quickly able to establish a stock market as well as other new institutions capable of supporting the market economy. A fully functioning foreign exchange market was developed within a few years, and there were a raft of new joint ventures in the service sector.

## Broad Observations

As noted above, there are a number of key lessons from the Vietnamese reform program in the 1989-93 period. I selected this period carefully: it coincided with a time when there was intense dialogue with the international financial institutions, but an absolute absence of multilateral development assistance. Nevertheless, during this period rather fundamental reforms were undertaken, in large part successfully (see Dollar 1993). The most basic lesson of the Vietnamese experience is that a regime committed to reform out of self-interest can undertake very radical economic reforms in a short span of time, particularly if it is unencumbered by political reform movements. This situation, not one that we would necessarily endorse a priori but still a fundamental fact of the Vietnamese experience, renders Vietnam more similar to China than to Russia in its reform experiment (see World Bank 1996).

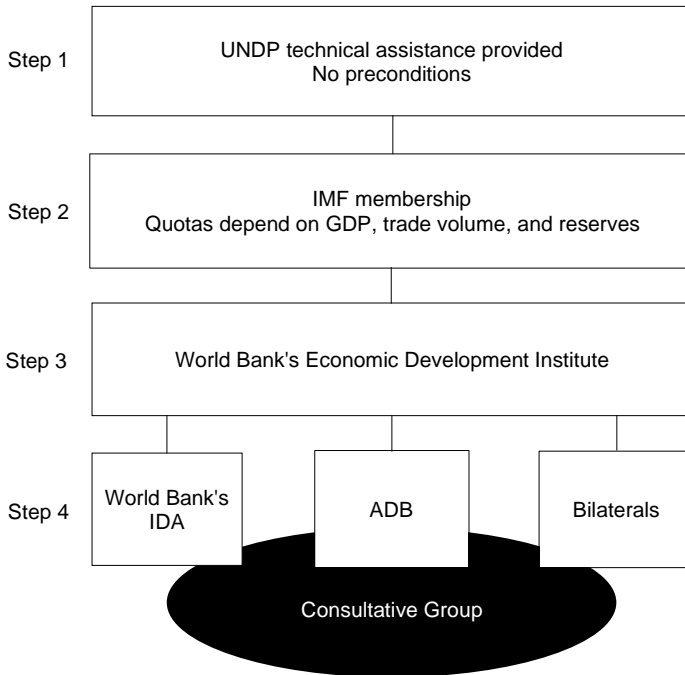
Throughout the entire reform process, the Vietnamese were able to draw on external expertise as needed—from the international institutions, from expatriates, and from those being trained in market economics—in order to select a sequence of action that was politically sustainable in the Vietnamese context. This kind of commitment would have to be present as well in North Korea in order for reforms to take hold quickly and provide the gains that might legitimately be expected from a shift to a market economy.

## The Case of North Korea

Without predicting that the equivalent of a “doi moi” will necessarily emerge in North Korea in the near future, we can presume that any normalization between North Korea and IFIs would follow a certain pattern. First, it is a fact that the Korean government would need to meet certain basic conditions to be admitted into the IMF and to function effectively with multilateral development banks such as the World Bank. Figure 6 relies on the lesson of Vietnam: initial contact was made through the United Nations Development Program (UNDP), which provided extremely useful technical assistance without preconditions over the late 1980s and early 1990s. Although the World Bank was one of the implementing agents for this technical assistance, the question of full and effective World Bank membership—including the right to borrow—was taken up later. As figure 7 indicates, both the IMF and the World Bank would need counterpart ministries and agencies with which to interact, and there would be normal data requirements in order for either institution to function well with a new member.

Significantly, in the cases of both Vietnam and China, there was a central agency of the government charged with economic reform. It fell

**Figure 6 Vietnam and the IFIs: steps of engagement**

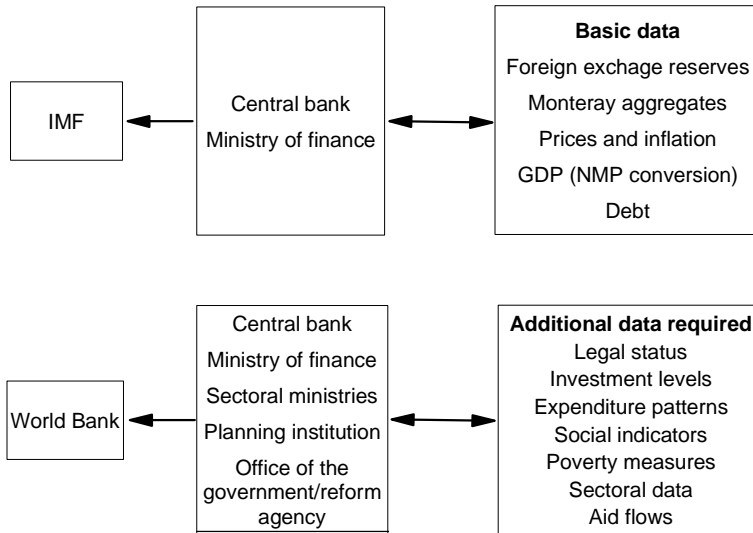


to parts of the World Bank such as the Economic Development Institute to help bring lessons of experience and best practice to Vietnam and China in the early years of reform. In Vietnam the Central Institute for Economic Management and in China the System Reform Commission provided the window to the West and enabled reformist elements of the government to travel and to interact with the market economies.

### **Requirements for Effective Interaction with MDBs**

As previously mentioned, one of the requirements for effective interaction is a central agency charged with reforms. There need also to be vanguards of change within existing ministries and high-level political support for both the reformist agency and these new elements within the administration. It would be unrealistic to expect line ministries long accustomed to a particular way of doing business to suddenly embrace economic reforms; however, if reforms are to take hold, there must be advocates within key ministries such as the Central Bank, Ministry of Finance, Ministry of Trade, and Ministry of Planning. Over time new legislation will be needed as well as new management tools and techniques to be applied in ministries. To facilitate these changes it is impor-

**Figure 7 Counterpart agencies and illustrative data required for interaction with IFIs**



tant to design training programs for the core ministries to identify trainers, as well as to use international secondments, expatriates, and study tours to increase the flow of information into the new member country. All this can be done more effectively by training young technocrats rather than by retraining old ones; the experience of Vietnam and China indicates this quite clearly.

As can be seen in table 1, the Economic Development Institute of the World Bank was instrumental in the late 1980s and early 1990s in initiating programs of national economic management as well as specialized training programs focused on policy analysis and public enterprise reform. The national economic management program encompassed a range of macroeconomic courses as well as training in budgeting and investment programming, which was essential for the five-year planning process in Vietnam and for redirecting national investment funds. Therefore, a large-scale training program would be necessary for North Korean technocrats; such a program would require political support. In Vietnam reformist elements, including former Foreign Minister Nguyen Co Thach, had on their own taken steps to seek out the elements of reform (among these steps was importing Paul Samuelson's *Principles of Economics* and obtaining the right to translate it into Vietnamese); this kind of support would be indispensable for a successful technical assistance and training program in North Korea.

A further lesson of the Vietnamese experience was that institutions such as the IMF and the World Bank were essential in undertaking

**Table 1 Economic Development Institute's training activities in Vietnam**

Year	Topic	Sector— Type of training
1991	National Seminar on National Economic Management	Senior policy seminar
1991	National Course on Market Economics	Economic & sector management
1991	National SPS on Inflation & Public Enterprise Reform	Economic & sector management
1991	National Course on National Economic Management	Senior policy seminar
1992	Market Economics for Viet Nam II	Economic & sector management
1992	Macroeconomic Management & Policies	Senior policy seminar
1992	National Economic Management	Trainer's course
1993	Policy Analysis—Viet Nam	Trainer's course
1993	Course on Analysis & Management of Economic Policy	Trainer's course
1993	Economic Integration	Trainer's course
1993	Macroeconomic Management & Policies	Senior policy seminar
1993	Analysis & Management of Economic Policy	Economic & sector management

Source: EDI archives, World Bank.

economic analysis at the national, sectoral, and household levels. As can be seen in annex A, the number of reports undertaken by various UN agencies and multilateral institutions was truly enormous; they provided much better understanding not only for donors but also for the new member state itself on the condition of the economy and on investment priorities. Extremely important among these were household surveys that identified the poorest in society: this will be indispensable in North Korea, given the state of nutrition, health, and other welfare indicators. At the same time, a host of technical assistance projects will need to be launched, including programs to help the new member understand the procedures of institutions such as the World Bank as well as the global requirements for both trade and capital flows.

Annex B shows in the case of Vietnam—as there clearly will be in the case of North Korea—the need for technical assistance in a range of areas, including enterprise reform, property rights, transactions law, financial rules, and a host of others that would be important to attract private-sector interest in North Korea. At the same time, and given the strength and economic structure of South Korea, it will be important to imbue in North Korea a strong regulatory framework that, while not deterring market developments, should serve to protect the public interest. This is an important point because of the disparity in economic strength between the South and North. A failure to recognize this dis-

parity and to protect the public interest in North Korea would result in very clear “excesses” and would damage both the reform elements that might emerge in North Korea and also the process of economic and political normalization.

The last step in any normalization process would be actual lending; in the case of Vietnam, this lending was deferred because of political considerations. Though no assumption can be made as to either the size or speed of lending that might occur in North Korea, one can say that the magnitude of any lending, be it through International Development Association (IDA) credits or through International Bank for Reconstruction and Development (IBRD) loans would be small compared both to the capital requirements and to the availability of private flows. Assessment of other countries in the circumstances of North Korea would lead to the same conclusion: the multilateral development banks are an impetus for further investment, but in the total scheme they are relatively small providers of capital. As can be seen in annex C, the actual annual lending program to Vietnam has been in the \$300 to \$500 million range since the first spate of loans in 1994. The breadth of the lending program at least from the World Bank has been considerable, spanning a number of sectors as well as structural adjustment operations in concert with the IMF. Lending by the ADB has been in the range of \$250 million to \$350 million per year since 1993 on a commitments basis.

As can be seen in table 2, North Korea’s future needs, which include training, analytic, and policy requirements, can be viewed as a progression: (1) new ideas phase, (2) the reform phase, (3) the adjustment phase, and (4) the project phase. What is most important during this entire procedure of normalization is that the government of North Korea come to realize that the multilateral institutions with which it deals have as their primary objective the country’s stabilization and development. Although there may be political forces at play, the objective of the “multilaterals” must be to provide the best policy advice, training and capacity building, and impetus for the construction of new institutions in North Korea. The track record of the IFIs is best when these efforts have the full political support of the country aided. Therefore, the first prerequisite for any successful normalization between the IFIs and North Korea is a common understanding as to the goals that will be jointly pursued by the government and international officials.

The second conclusion to be drawn is that one must get a very early start in terms of capacity building and institutional development: these activities take a good deal of time, and with them rests the future success of both lending by MDBs and other interactions with the marketplace. The strains that occur when foreign investors are disillusioned can be seen at various points in the histories of both China and Vietnam; this is clearly to be avoided.

**Table 2 North Korea's future training and analytic needs**

Phase	Agency	Training	Analysis
New ideas	<ul style="list-style-type: none"> <li>• UNDP</li> <li>• World Bank-EDI</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness raising</li> <li>• Western economics</li> <li>• Study tours</li> </ul>	<ul style="list-style-type: none"> <li>• Basic economics</li> <li>• National</li> <li>• Sectoral</li> <li>• Social</li> <li>• Price reform</li> </ul>
Reform	<ul style="list-style-type: none"> <li>• IMF</li> <li>• World Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Financial &amp; foreign exchange mgt.</li> <li>• Buildup reform agency</li> <li>• Project analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscal analysis</li> <li>• Foreign exchange market</li> <li>• Sectoral studies</li> <li>• Investment program</li> <li>• Legal reform</li> </ul>
Adjustment loan	<ul style="list-style-type: none"> <li>• World Bank</li> <li>• IMF/World Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Public expenditure</li> <li>• Management</li> <li>• Best practice training for sectoral ministries</li> <li>• Sectoral policy seminars</li> <li>• Ministry of Finance—fiscal management as part of SAC and EFF</li> </ul>	<ul style="list-style-type: none"> <li>• Policy reform—legal, financial, &amp; institutional</li> <li>• Public-sector reform</li> <li>• Specialized studies on tax, trade, &amp; capital account management</li> </ul>
Project	<ul style="list-style-type: none"> <li>• World Bank/ADB</li> </ul>	<ul style="list-style-type: none"> <li>• Project design &amp; management at sectoral level</li> <li>• Consultative group</li> </ul>	<ul style="list-style-type: none"> <li>• Sector plans and strategies</li> <li>• Project identification</li> <li>• Aid effectiveness</li> </ul>

Lesson three is that there must be some early successes. Such quick wins may be feasible in the area of agriculture. Clearly there is a need to improve nutritional standards, so this focus would have an added benefit in terms of social welfare; but early wins may be feasible in other areas as well. The MDBs can be used to facilitate the flow of foreign investment either through their role as guarantor or through their role as advisor or cofinancier of these private flows. This will utilize the elements of the World Bank Group such as the International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), and the private enhancement groups in the World Bank itself. The bottom line, however, is to seek out highly productive investments that have quick and broadly based returns.

The fourth observation to be made is that the area of regulation is extremely important. It is often argued that the playing field needs to be leveled to attract foreign investment and to improve competition, and this is undoubtedly correct. At the same time, however, and to protect national interests, there must be sufficient regulation to ensure

that there is a minimum of financial impropriety, that corruption is limited, and that the consumer is protected. These are difficult initiatives to try to undertake in developed countries, and they clearly are more difficult in transition economies (see World Bank 1996).

Another important observation about the relationship between a new client and the MDBs is that there must be a joint concern for poverty alleviation and improvements in welfare. Indeed, even though there may be differences of opinion about the proper speed of the reform effort—such as the speed with which privatization of enterprises might be pursued, or the speed with which foreign investment or other financial flows may be welcomed—it is usually easier for institutions such as the World Bank to work with member countries on education, health, agriculture, productivity, and the like in order to bring about improvements in social conditions.

Such improvements can often be more effectively achieved by using a coordination mechanism such as consultative groups (which has been used in East Asia—in Indonesia in the past and Vietnam today) to coordinate donor aid, avoid duplication, and allow the aid community to speak with one voice. A CG mechanism would undoubtedly be crucial for North Korea, and again this is an area where the World Bank has extensive experience. When there are extensive needs for productive inputs and long-term capital reaching conservatively into the billions of dollars, an aid consortium becomes essential.

And finally, one cannot overstate the importance of breaking the information bottleneck and exposing North Korean policymakers to the experiences of others in the region. When done in a fashion that is nondirective, as is the case with activities of the World Bank's Economic Development Institute, policy learning can be more easily achieved. This aspect of intellectual "regional contagion" is a final lesson of what has worked well in East Asia when countries are receptive to policy lessons. It would be a powerful force for North Korea as well.

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## Annex A Vietnam: IFI reports, 1988-96

IFI	Topic	Year	Report type	Economy- wide	Structural adjustment	Finance, public and private	Legal	Social sectors
UNESCO	Country paper	1988		X				
UN-FAO	Agriculture	1989						
UN	Needs assessment	1989						
UN	Women, state of	1989						X
UN	Family planning	1989						X
UN	Children and women	1989						X
WB	Dau Teung irrigation project	1989	Project report					
WB	Stabilization and structural reforms	1990	Economic report	X	X			
WB	Analysis of gradual approach: Vietnam, 1985-88	1990	Internal discussion paper					
IMF	FAD mission	1991				X		
WB	Transforming a state-owned financial sector	1991	Sector report		X	X		
UNIDO	Industrial policy reform	1991			X			
WB-GOJ	Consultancies in state enterprise, bankruptcy, and land law	1992	Technical assistance		X		X	
UNDP-WB	State enterprise reform project—state enterprise and investiture legislation	1992	Technical assistance		X		X	
UNDP-WB	Legal training and preparation of laws	1992	Technical assistance				X	
WB-GOJ	State enterprise reform	1992	Technical assistance				X	
WB-GOJ	Regulatory and prudential framework for the banking system	1992	Technical assistance			X	X	
WB	Restructuring public finance and public enterprises	1992	Economic report		X	X		
WB	Awakening the market	1992	Discussion paper	X	X			
WB	Population, health, and nutrition, sector review	1992	Sector report					X
WB	Energy sector investment and policy review	1993	Sector report					
WB	Transition to the market	1993	Economic report	X	X			
WB	Highway rehabilitation project	1993	Staff appraisal report					
WB	Primary education project	1993	Staff appraisal report					

WB	Agricultural rehabilitation project	1993	Staff appraisal report				
WB	Development of environmental policy	1993	Technical assistance				
FAO	Agricultural policy analysis	1994					
WB	Rural and household energy issues	1994	ESMAP paper				
WB	A survey of Viet Nam's legal framework in transition	1994	Policy research paper	X	X		X
WB	North Binh Chanh irrigation's environment impact	1994	Environmental assessment				
WB	Transport sector: Serving an economy in transition	1994	Sector report				
WB	Structural adjustment program	1994	President's report	X	X		
WB	Public-sector management and private-sector incentives	1994	Economic report				
WB	Country assistance strategy	1994	Strategy document	X	X		
WB	Poverty assessment and strategy	1995	Economic report				X
WB	Environment program and policy priorities	1995	Sector report				
WB	Power project's environmental impact	1995	Environmental assessment				
WB	Intergovernmental fiscal relations	1995	Policy research paper				
WB	Agency for financial-sector development	1995	Sector report		X	X	
WB	Emerging legal framework for private-sector development	1995	Policy research paper				X
WB	Power-sector reform and restructuring	1995	ESMAP paper				
WB	Industrialization and industrial policy	1995	Economic report				
WB	Payment system and bank modernization	1995	Staff appraisal report		X		
WB	Country assistance strategy	1995	Country assistance strategy	X			
WB	Population and family health project	1995	Staff appraisal report				X
WB	National health support project	1995	Staff appraisal report				X
ASEAN	Framework for private infrastructure	1996	Economic report	X			
WB	Water resources-sector review	1996	Sector report				

ASEAN = Association of Southeast Asian Nations; ESMAP = Energy Sector Management Assistance Programme; FAO = Food and Agriculture Organization; GOJ = Government of Japan; UNDP = UN Development Program; UNIDO = UN Industrial Development Organization; WB = World Bank.

## Annex B Vietnam technical assistance

Financier/ partner	Project	Year
Japan	Economic Reform Program: Consultancies in state enterprise law, bankruptcy, and land law	1992
UNDP	Consultancies in state enterprise law and divestiture legislation	1993
WBTF	IDF: Procurement legislation	1993
WBTF	Development of a national environmental action plan, including drafting of laws and legislation	1993
UNDP	Preparation of laws and legal training	1994
WBTF	IDF: Development on policy on involuntary settlement (review of existing legislation and drafting of new legislation and guidelines)	1995
Japan	Legal advisory services related to state enterprise reform and to regulatory and prudential framework for the banking system	1995
WBTF	IDF: Legal advisory services to draft water law and its implementation requirements	1995
Netherlands	Public health administration and implementation	1996
WBTF	Capacity building	1996
Japan	Water resource utilization	1996
Japan	Mekong Delta Development	1997

IDF = Investment Development Fund; UNDP = UN Development Program; WBTF = World Bank Trust Funds.

Source: World Bank.

## Annex C Vietnam: lending program of the World Bank

Project	Loan amount (\$m)	Year
Structural adjustment	150.0	1994
Highway rehabilitation	158.5	
Agriculture rehabilitation	96.0	
Primary education	70.0	
Total 1994	474.5	
Power sector rehabilitation and expansion	165.0	1995
Irrigation rehabilitation	100.0	
Total 1995	265.0	
Banking system modernization	49.0	1996
Power development	180.0	
Population and family	50.0	
National health support	101.2	
Rural finance	122.0	
Total 1996	502.2	
Rural transport	55.0	1997
Water supply	98.6	
Highway rehabilitation II	195.6	
Total 1997	349.2	