

UPDATE: IMPACT INVESTING IN VIETNAM

INVESTING IN WOMEN FACTSHEET, JUNE 2023

This factsheet provides an overview of trends in impact investing and gender-lens investing (GLI) in Vietnam, based on updated data on impact investment deals for 2020-22. It draws on a series of studies commissioned by Investing in Women (IW) analysing the regional impact investing landscape since 2007. It includes data on investment by Private Impact Investors (PIIs), such as fund managers, family offices, foundations and others, and Development Finance Institutions (DFIs), who are government-backed financial institutions that provide finance to the private sector for investments promoting development.

IMPACT INVESTING IN VIETNAM: LATEST TRENDS, 2020-2022

- Vietnam witnessed over **60% growth in the value of investments** in 2020-22 compared to 2017-19, to become the single largest market for impact investment in the region.
- Vietnam has replaced Indonesia as the **top destination for Development Finance Institution (DFI) investment**, attracting 30% of all DFI deals in the region both by volume and value.
- Impact investing activity by **Private Impact Investors (PII)** has picked up pace over the last three years, with an 8x increase in deployment of capital and larger ticket sizes.
- Uniquely in the region, larger deals were more prevalent in Vietnam: **two-thirds** of all deals had ticket size above USD 5 million, with 88% of these deals being led by DFIs.

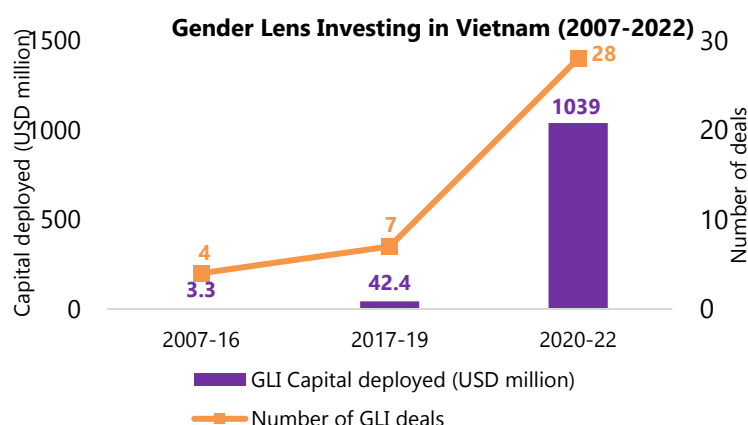
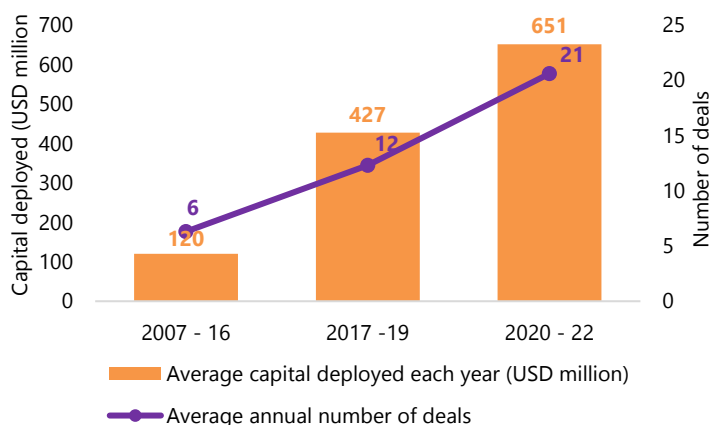
	Capital deployed (USD million)			Number of deals		
	2007-16	2017-19	2020-22	2007-16	2017-19	2020-22
DFIs	1,124.9	1,272.5	1,888.9	41	26	42
PIIs	25.8	7.7	65.4	22	11	22
Total	1,150.6	1,280.2	2,088.9	63	37	65

Gender Lens Investing in Vietnam

- Most GLI deals were in financial services, followed by agriculture, energy and manufacturing.
- Between 2020-22 the average size of DFI-led GLI deals was USD 45.02 million, and USD 0.77 million for PII-led deals.
- More GLI deals in Vietnam have focused on investing in workplaces promoting gender equity, rather than in women-led businesses, unlike Indonesia and Philippines.

Period	GLI strategies for deals		
	Gender ownership	Gender products & services	Gender equity
2007-2016	2	1	1
2017-2019	7	1	5
2020-2022	14	10	16

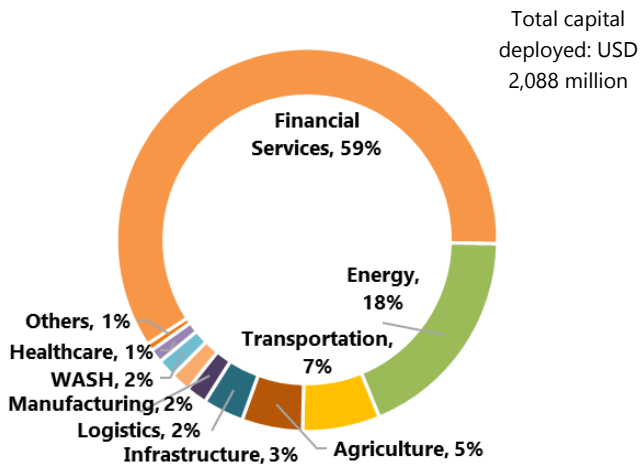
Impact Investing Trends in Vietnam, 2007-2022



IMPACT INVESTING IN VIETNAM

Impact Investing Sectoral Highlights in Vietnam, 2020-2022

- **Large ticket size deals were well distributed among different sectors indicating growing maturity of the impact ecosystem.**
- Financial services and energy were the leading sectors in terms of impact capital deployment. All investments in the energy sector focused on solar power.
- Agriculture accounted for the third highest number of deals; however, it received a relatively limited amount of capital with smaller average ticket size.



Instruments of investment, 2020-2022

- **44 of the 65 impact deals in Vietnam between 2020 and 2022 were debt deals, and 17 were equity-based deals.** 77% of debt deals were made by DFIs, and 65% of equity deals by PIIs.
- Almost 60% of debt investments were deployed into the financial services, agriculture, and manufacturing sectors.
- Most of the equity funding was focused on the information and communications technology (ICT), financial services and transportation sectors.
- Equity investments are likely to remain limited in the country owing to lack of familiarity of small and medium sized enterprises (SMEs) with equity as an instrument.

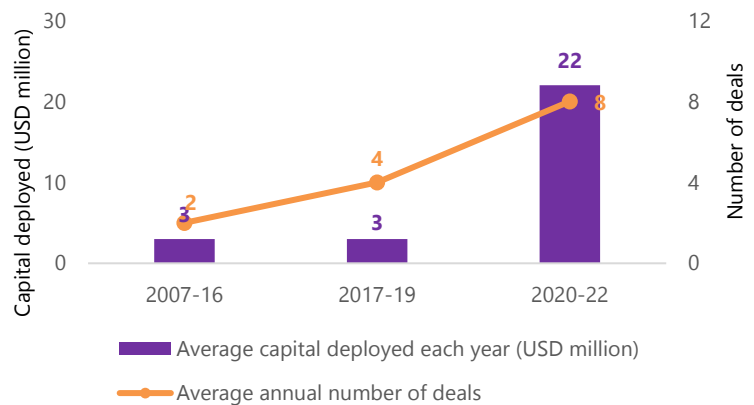
PII and DFI Investments Trends in Vietnam, 2020-2022

13 PIIs invested USD 65.37 million in 22 deals between 2020 - 2022

9 DFIs invested USD 1.89 billion in 42 deals between 2020 - 2022

- Impact deals by DFIs outnumbered PII investments by almost 2x, with the capital deployed by DFIs 29 times that of PIIs.
- Eleven different PIIs invested in Vietnam between 2020-22, most with a regional presence, whereas northern-based PIIs were more active in 2017-19.
- One deal was concluded jointly by PIIs and DFIs, deploying USD 135 million.

Impact Capital Deployed by PIIs (2007-2022)



Impact Capital Deployed by DFIs (2007-2022)

