



FACT SHEET

Support to Financial Policy Analysis (FPAll)

Viet Nam is undergoing rapid and profound social and economic change. Increased integration with global and regional markets, particularly since accession to the World Trade Organisation (WTO) in 2007, has provided further opportunities and challenges to the country. In this context, public finance and fiscal reform have become more pressing and more complicated, requiring careful policy analysis to develop appropriate policies to facilitate the processes of industrialization, modernization and economic integration.

In response the Ministry of Finance (MOF) established the Policy Advisory Group (PAG) to provide high-quality and independent policy advice directly to the Minister of Finance and other senior leaders of the Ministry. The PAG is responsible for establishing the basic infrastructure for policy analysis within the ministry, and to develop policy analysis and capacity within other departments and affiliated agencies of MOF.

What the project will do:

The project will support the implementation of the PAG work plan as approved by the Minister of Finance, focusing on priority areas outlined in the Socio-Economic Development Plan 2006-2010. The *main components* of the project are:

- (i) Support to PAG policy analysis and formulation in response to the policy agenda set by the Minister of Finance, including providing timely policy advice and recommendations on important and urgent policy issues and studying major strategic policy topics of the public financial system to report to the Minister and other senior leaders of MOF;
- (ii) Support to PAG institutional development, including the development of systems,

MATTERS OF FACT:

Viet Nam's total budget revenues and expenditures in 2007 were estimated at around 25% and 30% of GDP respectively, with a budget deficit of 5% GDP. Revenues from the oil and gas sector accounted for over 20% of total budget revenues.

Viet Nam spends around 30% of total budget expenditures on public investment and 26% of recurrent budget expenditures on education and 8% on healthcare.

BUDGET: US\$ 3,600,000

Of which:

UNDP funding: US\$3,500,000

knowledge networks, databases and forecasting models to contribute to the development of policy analysis and forecasting systems within MOF;

- (iii) Support for public outreach and education on public financial policy to improve the efficiency, transparency, publicity, and private participation;
- (iv) Capacity development for public financial policy analysis through training courses for MOF policy makers and policy makers from other relevant government agencies;
- (v) The project will also support public awareness activities and stakeholder consultations to ensure that policies are responsive.

For more information, visit:

www.undp.org.vn

www.mof.gov.vn