



Vietnam Public Financial Management (PFM) Analytical and Advisory Assistance (AAA) Program

SECO (Swiss State Secretariat of Economic Affairs) supports the Central and selected Subnational Governments of Vietnam in their strategic areas of focus, which are to improve the efficiency, effectiveness, and transparency of public expenditure.

Context

As Vietnam becomes a middle-income country, systemic and broad based reforms have been initiated and starting to yield tangible results but there is a need to keep the momentum going. Factors such as weaknesses in public sector institutions, limited transparency, and deficiencies in public resource management have constrained efforts to end extreme poverty and promote shared prosperity.

Therefore, the priority governance challenge is to strengthen the performance of public institutions, with a particular emphasis on PFM, enhancing transparency and responsiveness and improving public resource management.

Objectives and Components

The PFM AAA program supports executive bodies to strengthen their capacity to make, implement and monitor policies to improve budget planning and execution in a transparent, accountable, and sustainable manner. The program also provides empirical analysis of the effectiveness and efficiency of major public finance reforms at both the central and local levels of government. An additional objective is to strengthen the legislative and review work of the National Assembly on budgetary and financial issues.

The Program currently covers four results areas which comprise of 14 sub-projects:

- Improving linkages between plans and budgets;
- Improving effectiveness of budget execution controls;
- Improving production and supply of quality fiscal information;
- Improving systems for fiscal stability and risk management

Country/region

Vietnam

Executing agency

The World Bank in Vietnam

Executing period

2016-2020

Total budget

USD 7,683,795

SECO contribution

USD 7,063,255



Expected results

The PFM AAA program uses the PEFA indicators to measure the result of the program across four result areas. With respect to multi-year perspective financial planning and budgeting, the program is expected to achieve better linkage between medium-term expenditure plan and investment budget. With respect to budget execution, the program aims to strengthen internal control through effective commitment control and cash management. Increased quality and timeliness of in-year budgets and annual statements will be attained through clearer process and system for data sharing and the disclosure of the government financial statement on the basis of public accounting standards. Finally, oversight and management of fiscal risk is also expected to be improved through better reporting and monitoring of extra-budgetary expenditure and different sources of contingent liabilities both at the national and subnational government.

Further information

Website:

- SECO: www.eda.admin.ch
- World Bank: www.worldbank.org/en/country/vietnam

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