2011 Annual Work Plan

Support for Financial Policy Analysis

Country: Viet Nam

Expected OP Outcome 1: Social and economic development policies, plans and laws support equitable and inclusive growth and conform to the values and goals of the Millennium Declaration and other relevant international agreements and conventions.

Expected OP Output 1.10: Knowledge increase and policy options identified to promote more pro-poor public finance policies that take into account the impacts of trade liberalization and financial reforms.

UNDP CP Outcome: National pro-poor policies and interventions that support more equitable and inclusive growth.

Implementing partner: Ministry of Finance (MOF)

Brief Summary

The Ministry of Finance 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.

The Project will support the implementation of the work plan as approved by the Minister of Finance and the UNDP, focusing on priority areas outlined in the Socio-Economic Development Plan 2006-2010. The *key expected outputs* as envisaged in the AWP include: 1. Timely and high quality policy advices by PAG to MOF leadership in urgent public finance issues; 2. Series of research and study reports coordinated/prepared by PAG in selected public finance areas to provide recommendations to MOF leadership and Government of Vietnam in relevant policy making. The *main activities* of the Project are:

(i) Provide timely policy advice and recommendations on urgent policy issues to the Minister and other MOF senior leaders upon their requests;

(ii) Study and research major strategic policy topics relating to the public finance;

(iii) Contribute to the development of the policy analysis and forecasting systems within MOF;

(iv) Support for public policy round table discussions to improve transparency and public participation; and

(v) Support the capacity building of MOF policy makers.

The Project will also support public awareness activities and stakeholder consultations to ensure that policies are responsive to the public and consistent across Government agencies.

One Plan period: 2006-2011 One Plan PCG: 1 Project Title: *Support for Public Financial Policy Analysis* Project Code: 00061137 Project period: 2008-2011	Estimated annual budget: **US$404,324** Allocated resources: • Government: • Regular: **US$404,324** • Other resources:

Agreed by Ministry of Finance: _____

Agreed by UNDP: _____ 12/11/2011

United Nations Development Programme
Project Code & Title: 00061137 - Support for Financial Policy Analysis
Project Award: 00049827
Implementing Partner: Ministry of Finance

ANNUAL WORK PLAN 2011

Expected Project Outputs (Baseline, Indicators and Annual Target)	Planned Activities	Timeframe				Responsible Party	Planned Budget			Challenges, solutions and other issues
		Q1	Q2	Q3	Q4		Fund	Account Code	Amount (USD)	
1	2	3				4	5	6	7	8
[OPI 1.10] Knowledge increase and policy options identified to promote more pro-poor public finance policies that take into account the impacts of trade liberalization and financial reforms										
[OPI 1.10.1.] [UNDP 1.6.1] Policy analysis conducted of current public finance policies and policy dialogue papers prepared (national level)										
	A. Policy advice and study tours									
Expected Outputs: Policy advices given to MOF leadership by Policy Advisory Group (PAG) in timely and quality manner. **Indicators:** Number of advisory sessions/quick reports **Baseline:** The PAG was established in 2007 and has actively since then advised MOF policy makers in a number of selected public finance areas. **Target:** All the requests from MOF leadership to PAG to be addressed and responded to in a satisfactory manner	**I. Financial policy advice and ad-hoc requests of the MOF leadership**									
	1 study tour to the United States to look at macro-economic issues and post-crisis fiscal policies		*X*			*MOF*	04000	71600	30,000	
	Financial policy advices to ad-hoc requests by MOF leadership		*X*			*MOF*	04000	75700	6,000	
	Estimated budget for content I		***X***						***36,000***	
Expected Outputs: Technical research and study reports in 5 areas (fiscal policies and forecasts, taxation policies, social security and stabilization policies, corporate financial management and supervision, financial market management and development) to inform MOF leadership in their long and medium-term policy making and strategy implementation **Indicators:** Number of research reports and policy studies completed/plan **Baseline:** There is a lack of good independent research and data analysis timely available for MOF	**II. Policy research and study programs**									
	Program 1. Economic - fiscal policies and forecast									
	1.1.Establishment of financial model on State Revenues Forecasting	*X*				*MOF*	04000	71300	4,000	
			X			*MOF*	04000	71200	5,000	
			X			*MOF*	04000	75700	2,000	
			X	*X*		*MOF*	04000	71300	8,000	

leadership, which may affect the quality of their policy making **Targets:** 22 research reports and policy studies in the list completed on time to enable MOF to have more information/options for their policy making/choices	1.2.Financial policies for urban developments and infrastructures			*X*		*MOF*	04000	71200	5,000	
				X		*MOF*	04000	71600	2,000	
				X		*MOF*	04000	75700	4,000	
	1.3.Study on restructuring the national financial system and the economy		*X*			*MOF*	04000	71200	5,000	
			X	*X*		*MOF*	04000	71300	6,000	
			X	*X*		*MOF*	04000	75700	4,000	
	1.4.Training workshops (quantitative research method, economic models, advanced financial analysis and forecasting models)			*X*		*MOF*	04000	71200	5,000	
		X		*X*		*MOF*	04000	71300	8,000	
		X		*X*		*MOF*	04000	75700	4,000	
	1.5. Assessment on the potential financial benefits of joining TPP Agreements, FTA Vietnam - EU, FPA Vietnam - Russia		*X*			*MOF*	04000	71300	4,000	
	1.6.Research on the amendment of Decree on State expenditures via State Treasury control mechanism and State Budget Management		*X*			*MOF*	04000	71300	4,000	
			X			*MOF*	04000	71600	1,500	
	Independent reviews on the program (reports, research papers, etc.)					*MOF*	04000	71300	-	
	Estimated sub total	***X***	***X***	***X***	-				***71,500***	
	Program 2: Tax policies									
	2.1.Assessment on current performance of Personal income tax (PIT) and Corporate income tax (CIT) policies and recommendation to improve the effeciency of those policies		*X*	*X*		*MOF*	04000	71300	8,000	
				X		*MOF*	04000	71600	1,500	
				X		*MOF*	04000	75700	5,000	
	2.2.Research on tax incentives policies towards enterprises			*X*		*MOF*	04000	71300	4,000	
	2.3.Research and recommendations on drafting Decree and Laws (on non-agriculture land usage tax, Minerals Exporting tax, Environment Protection Law based on Air emission fees, Special Consumption Tax on tobaco)		*X*	*X*		*MOF*	04000	71300	9,000	
			X	*X*		*MOF*	04000	71600	4,500	
				X		*MOF*	04000	75700	1,500	
	Independent reviews on the program (reports, research papers, etc.)					*MOF*	04000	71300	-	

	Estimated sub total	***X***	***X***	***X***					***33,500***	
	Program 3: Social securities and stablization policies									
	3.1.Reviews and assessment on the National Reserve Strategy during period 2005 - 2010 and recommendations for next 5 year period, including the assessment of current management of State Budget resources for rescuing, supporting and recovering from natural disasters, epidemic deseases; Replanning of State food storage system in remote areas.		*X*	*X*		*MOF*	04000	71300	8,000	
				X		*MOF*	04000	71600	3,000	
	3.2.Assessment on the current situation of social security policies towards farmers and rural areas (insurance for elderly, healthcare mechanism for rural areas and the poors, etc..) AND policies reviews for financial policies towards farmers, rural and agriculture (taxation, investment, credit, insurance and grants...) AND the implementation of Law on Agriculture Insurance		*X*	*X*		*MOF*	04000	71300	9,000	
			X	*X*		*MOF*	04000	71600	3,000	
			X	*X*		*MOF*	04000	75700	5,500	
	3.3.Research on Social security fund management (fund mobilization, management, supervision, risk management and financial investment)			*X*		*MOF*	04000	71300	3,000	
	3.4.Reviews of current credit policies toward the poors and social policy beneficiaries (credit program through Vietnam Social Policy Bank)			*X*		*MOF*	04000	71300	4,000	
	Independent reviews on the program (reports, research papers, etc.)					*MOF*	04000	71300	-	
	Estimated sub total	***X***	***X***	***X***					**35,500**	
	Program 4: Corporate Financial management and supervison policies									
	4.1.Research on the operation of the State ownership at SOEs (legal condition, current performance, issues and recommendations) AND the Financial mechanism and policies for the realization of State ownership in 100% State owned enterprises and enterprises that the State accounts for major ownership (model of parent-child companies)	*X*	*X*			*MOF*	04000	71300	15,000	
		X	*X*			*MOF*	04000	71600	4,500	
		X	*X*			*MOF*	04000	75700	4,500	
	4.2.Research on the role of DATC (Debts and Assets Trading Company) in the development of enterprises - current issues, recommendations on policies		*X*	*X*		*MOF*	04000	71300	9,000	
				X		*MOF*	04000	75700	2,000	
	4.3.Regulating and supervision mechanism and set of criteria in assessment of SOEs' effeciency			*X*		*MOF*	04000	71300	6,000	
	Independent reviews on the program (reports, research papers, etc.)					*MOF*	04000	71300		
	Estimated sub total	***X***	***X***	***X***					***41,000***	
	Program 5: Financial market management and development policies									
	5.1. Report on Government bonds issusance mechanism and the operational reform of Government bond Primary market, and other current issues (local issuance of VND denominated bonds issued by international institutions)	*X*	*X*			*MOF*	04000	71300	8,000	
			X	*X*		*MOF*	04000	71200	10,000	

	issuance of PAG denominated bonds issued by international institutions)			X		MOF	04000	75700	1,500	
	5.2. Research on PPP (Public Private Partnership) model in infrastrucutral investments with regards to the operation of LDIFs	X				MOF	04000	71300	4,000	
	5.3.Research on financial management mechanism of Banks and Financial Institutions		X			MOF	04000	71300	5,000	
			X			MOF	04000	71200	5,000	
			X			MOF	04000	75700	1,500	
	5.4. Policy reviews of Investment credit and Exports credits		X			MOF	04000	71300	4,000	
	5.5.Research and recommendations on drafting Decree on liability insurance in healthcare services	X				MOF	04000	71300	4,000	
			X			MOF	04000	71600	1,500	
			X			MOF	04000	75700	1,500	
	Independent reviews on the program (reports, research papers, etc.)					MOF	04000	71300		
	Estimated sub total	**X**	**X**	**X**					***46,000***	
	Program 6. Institutional capacity building of MOF									
Expected outputs: More well-informed policy makers at MOF Indicators: Number of officials attending advanced training programs Baseline: Capacity building for MOF policy makers needed for understanding and providing appropriate policy choices Target: 4 trained policy makers	Advanced training provided to Ministry's leaders on public finance			X		MOF	04000	71600	25,000	
	Training for MOF's policy makers, PAG's members and project officials on the topics in the different research programs	X	X	X		MOF	04000	72200	4,000	
	Procurement of books, managzines, researching materials, analysis softwares.	X	X	X		MOF	04000	74500	1,200	
	Estimated sub total	**X**	**X**	**X**					***30,200***	
	Estimated budget for content II	**X**	**X**	**X**					257,700	
	III. Support to Policy Advisory Group									
	1. Salaries for PAG members (full time and part time basis)	X	X	X	X	MOF	04000	71300	49,500	

	2. Other costs (e.g. expenses for PAG and consultant recruitments)	X	X	X	X	MOF	04000	74500	8,000	
	Estimated budget for content III	**X**	**X**	**X**	**X**				57,500	
	B. Project Management									
	I. Salaries and operational costs									
	1. Office staff salary	X	X	X	X	MOF	04000	71400	44,124	
	2. Office operations costs	X	X	X	X	MOF	04000	74500	4,000	
	3. Audit fee	X	-	-	-	MOF	04000	74500	3,000	
	II. Outcome management									
	1. Project outcome management	-	-	-	X	UNDP	3000	74500	2,000	
	III. Government Funding									
	1. Office rent, telecommunications, internet etc	X	X	X	X	MOF			54,340	
	2. Allowance for part time staff of MOF	X	X	X	X	MOF			3,860	
	3. Allowance for driver and petrol expenses	X	X	X	X	MOF			1,000	
	4. Other costs	X	X	X	X	MOF			4,000	
	Total project management activities	**X**	**X**	**X**	**X**				116,324	

	Total UNDP funding								404,324	
	Total planned budget for 2011 including counterpart funding								467,524	

Date

Prepared by

Date

Approved by