

## VII. Donor Assistance

This chapter describes donor-coordination mechanisms and discusses donor activities in relation to financial management and governance arrangements. It is structured as follows:

- 1 – Overview
- 2 – ADB Technical Assistance to Viet Nam
- 3 – European Union Assistance

### 1. Overview

Table 1: Overall External Assistance to Vietnam<sup>5</sup>

External Source (US\$ million)	Past 3-5 Years (Ann. Average)		1998 Approvals	
	Loan/Credit	TA	Loan/Credit	TA
<b>Multilateral</b>				
ADB	265.0	10.0	284.0	5.0
EU	..	38.0	..	58.0
IMF	175.0	..	..	..
UNICEF	..	21.0	..	18.0
UNDP	..	15.0	..	25.0
UNHCR	..	10.0	..	7.0
World Bank	398.0	..	360.0	..
WFP	..	10.0	..	16.0
Subtotal	<b>838.0</b>	<b>104.0</b>	<b>644.0</b>	<b>129.0</b>
<b>Bilateral</b>				
Australian	..	45.0	..	44.0
Belgium	..	10.0	..	10.0
Canada	..	8.0	..	13.0
Denmark	28.0	7.0	42.0	12.0
Finland	..	6.0	..	6.0
France	37.0	4.0	88.0	11.0
Germany	35.0	5.0	59.0	9.0
Italy	10.0	..	29.0	..
Japan	470.0	50.0	730.0	100.0
Netherlands	16.0	4.0	20.0	5.0
New Zealand	..	1.4	..	1.4
Sweden	34.0	..	45.0	..
Switzerland	..	..	..	..
United Kingdom	..	7.0	..	7.0
Subtotal	630.0	147.4	1,013.0	218.4

<sup>5</sup> Asian Development Bank. December 1999. *Country Assistance Plan (2000-2002): Viet Nam*. p. 26.

## FINANCIAL MANAGEMENT AND GOVERNANCE ISSUES IN VIET NAM

	Past 3-5 Years (Ann. Average)		1998 Approvals	
<b>Total</b>	<b>1,468.0</b>	<b>251.4</b>	<b>1,657.0</b>	<b>347.4</b>

Table 2. Official Development Assistance<sup>6</sup>

	Cambodia	People's Republic of China	Mongolia	Pakistan	Papua New Guinea	Uzbek- istan	Viet Nam
Dollars per capita	36	2	99	5	78	6	13
Percentage of GNP	12.1	0.2	26.7	1.0	7.8	0.5	4.1

### 2. ADB Technical Assistance to Viet Nam

ADB has been taking a series of initiatives through technical assistance arrangements for enhancing the capacity of key central institutions and for facilitating good governance practices. Major ADB initiatives include: Capacity building at the Ministry of Planning and Investment (1995); Institutional Strengthening of National Procurement Office (1994-1996); Capacity Building at State Auditor-General's Office (1995, 1998); Strengthening Capacity for Public Administration Reform (PAR) at the Government Committee on Organization and Personnel (1996, 1998); and Retraining of Government Legal Officers at the Ministry of Justice (1997).

### 3. European Union Assistance

The major accounting project undertaken in Viet Nam in recent years is the following EU-sponsored project that relates to the development of accounting and auditing standards.

**Name of Project:** European Commission's technical assistance program for transition to market economy in Viet Nam (EUROTAPVIET).

**Commenced:** September 1995      **Completed:** June 1998

**Cost:** approximately US\$10 million

<sup>6</sup> Data is for 1997 and is sourced from: World Bank. 2000. *World Development Report 2000*.

**General Objectives:** Developing skills and competencies for the Vietnamese accounting and auditing profession in a market economy.

#### Specific Objectives

- To establish a legal framework and a set of regulations for accounting and auditing, based on best international practices and consistent with the Vietnamese legal and economic environment;
- To improve accounting and auditing systems by developing, adopting and enforcing standards and rules for financial reporting;
- To train Vietnamese accounting and auditing experts and establish a training system that will lead to the award of internationally recognized professional qualifications; and
- To develop and improve the quality of accounting, auditing, consulting and business advisory services in Vietnamese audit firms.

#### Achievements of the Project

- Provided knowledge of international accounting and auditing standards, organized workshops on IAS and ISA, fellowships in accounting and auditing abroad, internships, study tours;
- Assisted Viet Nam in establishing relationships between Vietnamese professional bodies with international, European and Asian professional bodies. Created a relationship between Vietnamese Accounting Association (VAA) and International Federation of Accountants (IFAC) which enabled the VAA to join IFAC, also facilitated the VAA becoming a member of Asian Federation of Accountants;
- Assisted Viet Nam in gaining a thorough understanding of modern, market-oriented accounting and auditing in order to establish a profession that is consistent with international practices;
- Supported and improved the quality of training accounting and auditing experts in Viet Nam;
- Assisted Vietnamese auditing firms in improving their operation; and
- Assisted in technical matters, including the purchase of computer hardware and software, office equipment, etc.