

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ERDI

<b>TA No. and Name</b> TA VIE 3330: <i>Improving National Accounts (Phase II)</i>			<b>Amount Approved:</b> US\$500,000.00	
			<b>Revised Amount:</b> US\$500,000.00	
<b>Executing Agency:</b> General Statistics Office (GSO)		<b>Source of Funding:</b> JSF	<b>TA Amount Undisbursed</b> US\$144,290.55 *	<b>TA Amount Utilized</b> US\$351,639.63 *
<b>Approval</b> 8 December 1999		<b>Signing</b> 9 March 2000	<b>Fielding of Consultants</b> 1 May 2000	<b>Completion Date</b> <b>Original</b> December 2002 <b>Actual</b> October 2003
				<b>Closing Date</b> <b>Original</b> December 2002 <b>Actual</b>
<b>Description</b>				
<p>The Socialist Republic of Viet Nam has a very centralized statistical system with the General Statistics Office (GSO) as the main data producer. GSO's responsibilities comprise the compilation of economic and social statistics, including national accounts, and the coordination of all statistical activities of the Government. The first-phase TA assisted GSO to shift the country's accounting system from the material product system to the 1993 United System of National Accounts (1993 SNA). However, a follow-up TA was necessary for at least for four reasons: 1) the adoption of the 1993 SNA had not been completed because it is an extensive and complex system; 2) the existing economic accounting framework used by the provincial and city statistics offices did not yet follow the 1993 SNA due to lack of adequate technical capacity; 3) the Asian financial crisis uncovered an increasing and pressing need for more timely and diversified/comprehensive statistical information, in particular quarterly national accounts statistics; and 4) there was a need for improving statistical coordination among the data producers.</p>				
<b>Objectives and Scope</b>				
<u>Objectives:</u>				
<p>The main objective of the TA was to help GSO strengthen its capacity in the field of national accounts. Specifically, the TA aimed to help GSO (i) build its capacity to produce estimates of quarterly gross domestic product (QGDP), institutional sector accounts, and regional accounts, (ii) improve the capacity of its three city statistics offices (Hanoi, Hue and Ho Chi Minh) in national accounts, and (iii) enhance its statistical coordinating mechanism.</p>				
<u>Scope:</u>				
<p>The TA covered a number of activities, including (i) a number of workshops, training courses, apprenticeship programs, and a study visit on 1993 SNA concepts and compilation methodology and other related topics; (ii) a critical review of existing databases and surveys; (iii) revision of the Vietnam System of National Accounts (VSNA); (iv) a number of surveys supplying the required information; (v) development of methodological approaches to be used for estimating quarterly, institutional and regional accounts; and (vii) the production of the handbooks of quarterly, institutional and regional accounts and the corresponding estimates of the accounts.</p>				
<b>Evaluation of Inputs</b>				
<p>The TA was well designed and efficiently implemented. The terms of reference of the four consultants (two international and two domestic consultants) were clearly defined. To increase cost-efficiency, one staff from the United Nations Statistics Division was also recruited as resource person on a non-fee basis except for his travel and daily subsistence allowances. The consultants and the resource person worked satisfactorily. The services of the international and domestic consultants were 4.5 person-months and 21 person-months, respectively. The resource person worked for one person-month. The international consultants and the resource person also provided on-the-job training courses to the GSO staff. These courses proved to be very effective in strengthening the capacity of the GSO staff. The data collection activities, mostly from administrative sources, were undertaken in line with the data requirements of the Government, the Asian Development Bank (ADB), and other international organizations. GSO was able to implement all planned TA activities. Equipment bought included 12 PCs, 2 laptops, 4 printers and 1 photocopying machine. Five (inception and review) missions were fielded. GSO showed strong ownership of the TA as evidenced by its ability to implement the activities with minimal input from ADB and the consultants and by providing funds for a number of surveys that provided data inputs for national accounts estimation.</p>				
<p>Six in-country training courses on the 1993 SNA and the VSNA were conducted (twice in Hanoi, in Hue, in Ho Chi Minh, in Lam Dong and in Haiphong). Three apprenticeship programs to New Zealand, Australia and Indonesia and one study visit to the Australian Bureau of Statistics were held. The training courses and apprenticeship programs proved to be very effective in improving the knowledge and skills of the GSO staff. The study visit to the Australian Bureau of Statistics, enabled the staff of GSO and the Ministry of Planning and Investment to broaden their knowledge</p>				

\* As of 11 December 2003.

on various aspects of national accounts, in particular on supply and use tables. One inception workshop and one coordination workshop were held. These workshops were attended by various data producers and users, enabling GSO to strengthen its coordinating mechanism.

A Concluding Workshop was held on 29 October 2003, disseminating the major outputs of the TA and providing a venue for the users to suggest some improvements. The Workshop indicated the appreciation of the users on the TA outputs, motivating GSO to further improve its estimates, and showing the need for GSO to strengthen its analytical capability.

#### **Evaluation of Outputs**

The TA produced six important publications of national accounts, namely (i) Vietnam National Accounts Statistics, 1995-2002, (ii) Revised VSNA, (iii) Handbook of Quarterly National Accounts, (iv) Methods of Estimating Main Indicators of Quarterly National Accounts, (v) Method and the Results of the Compilation of the Institutional Sector Accounts, and (vi) Method of the Calculation of the Regional Accounts (and estimates for the Red River Delta Region). These reports will be used for ensuring the consistency in the succeeding compilation activities and in the transfer of technology to technical staff in GSO and at the provincial and city statistics offices. For the first time, under the TA, GSO was able to produce absolute values of QGDP estimates (in the past GSO provided the Government with the estimated growth rate only). In addition, the TA initiated the production of institutional and regional sector accounts. A new statistics bulletin, published twice a year, called Main Statistics, was also initiated, providing some important statistical information (such as gross domestic product, agricultural statistics, main industrial products, consumer price indexes, export and import, foreign direct investment and foreign visitors). The Government found these reports and the national accounts estimates useful. More than 300 staff of GSO and other ministries/agencies were trained on national accounts in the six in-country training courses. Twenty-one GSO staff and one staff of the Ministry of Planning and Investment benefited from the three overseas apprenticeship program and the study visit. These trained staff would enable GSO to produce regularly the required national accounts estimates, particularly QGDP estimates, and to strengthen its coordinating mechanism.

#### **Overall Assessment and Rating**

Successful. The TA had been successfully implemented and had strengthened the GSO's capability to collect and compile national accounts statistics. The TA played a significant catalytic role in modernizing the national accounts system in Vietnam through introducing the 1993 SNA. GSO has committed to utilize the trained staff to train the staff of other provincial and city statistics offices on the 1993 SNA and the VSNA.

#### **Major Lessons Learned**

- The availability of email connections improved the communication flow between ADB and GSO. This practice needs to be continued.
- The participation of the GSO staff and representatives from other data producing agencies and data users in training courses, study visit, and workshops enhanced the institutional linkages. It also improved the transparency of the data compilation process and increased the appreciation of the national accounts.
- Because most TA activities were undertaken largely by the GSO staff, the institutionalization of the 1993 SNA became easier.

#### **Recommendations and Follow-Up Actions**

There is still a need to further strengthen institutional collaborations between GSO and the sectoral departments in preparation of national accounts estimates (giving emphasis on the required data support, including the provision of electronic data exchange). This is particularly important since the estimates are prepared based on the data provided by the sectoral departments. Some follow-up in country-training courses need to be conducted to enhance the capacity of the officials from the sectoral departments and to further improve the capacity of the staff of provincial and city statistics offices. Another recommendation is for GSO to develop its data analysis capacity to enable it to both produce data that better reflect the reality and show the uses of the national accounts estimates to the users.

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