HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

VIETNAM

Building Capacity in Macroeconomic Analysis and Forecasting

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Institute for Capacity Development

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The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: This report discusses the implementation of the Technical Assistance (TA) project delivered by ICD and CDOT to build capacity in macroeconomic analysis and forecasting in the Ministry of Planning and Investment (MPI) that later merged with the Ministry of Finance (MOF) in early 2025. The TA supported the Core Working Group (CWG) in developing and customizing macroeconomic projection tools for Vietnam, operating the tools to produce consistent projections across all sectors, performing policy simulations, and presenting the results to policymakers in policy discussions. This report presents the TA achievements, lessons learned, and recommendations to strengthen and sustain capacity development.

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Background

This report discusses the implementation of the IMF Technical Assistance (TA) project to build capacity in macroeconomic analysis and forecasting in the Ministry of Planning and Investment (MPI) that merged with the Ministry of Finance (MOF) in early 2025 as part of broader government restructuring. This 3-year (May 2023 – April 2026) project was financed by the government of Japan through the IMF Capacity Development Office in Thailand (CDOT). The TA supported the Core Working Group (CWG) in developing and operating macroeconomic projection tools and presenting the projection results in policy discussions in the government. The CWG is a multi-agency team, including staff from the MPI, MOF, State Bank of Vietnam (SBV) and the Ministry of Trade and Investment (MOIT). The CWG was supervised by the Financial and Monetary Department (FMD) of the MPI during 2023-24 and by the Financial Institutions Department (FID) of the MOF during 2025-26. The TA team comprised staff from the IMF Institute for Capacity Development (ICD) Department and CDOT. The TA activities included nine in-person missions and in-between-mission work and achieved the following objectives.

Summary of Findings

Team: Supporting the CWG

The TA team supported the CWG to carry out macroeconomic analysis and provide inputs to the 1317 policy working group led by the MPI. The policy working group was established in 2013 by the Prime Minister's decision No. 1317 (hereafter the 1317 policy working group) to discuss and coordinate macroeconomic policies across ministries that included MPI, MOF, SBV, and MOIT and to provide policy recommendations to the government. The CWG was supervised by the Director General of FMD and was assigned to produce macroeconomic analysis and present the results to policymakers. Based on TA recommendations, the authorities formed the CWG by including staff from ministries involved in the 1317 policy group and clarified the CWG's roles and responsibilities. This multi-agency team was a groundbreaking initiative because most economic analysis in the past was performed by separate ministries using different methodologies and data. The inclusion of staff from relevant ministries in the CWG has also improved TA implementation by facilitating data collection and discussions of policies across ministries. The MPI's strong support for the CWG played an important role in sustaining TA ownership. For example, the CWG was asked to provide regular updates and inputs to the MPI Vice Minister, and this contributed to rapid progress in TA implementation. After the CWG moved from the MPI to MOF in early 2025, the MOF management preserved the CWG and confirmed that the TA project should continue despite the ongoing government restructuring.

Tool: Building Macroeconomic Projection Tools

The TA team assisted the CWG in building projection tools based on the Macroframework Foundations Tool (MFT) and the Public Debt Dynamics Tool (DDT), both developed and published by the ICD General Macro-Fiscal Division (ICDMF) of the IMF. These tools were selected based on the authorities' forecasting needs, the absorptive capacity of the CWG, and the availability of data. Supported by the TA team, the CWG developed and customized the MFT and DDT to fit the Vietnamese economy and made rapid progress in operating the tools. By the second mission in October 2023, the CWG could compile input data, and by the third mission in March 2024, the CWG could calibrate the MFT equations and generate initial projections. The fourth mission in June 2024 focused on developing projection scenarios and analyzing the results. During the fifth mission in October 2024, the CWG produced complete

macroeconomic and debt projections and presented the results to policymakers. The TA team also helped the CWG perform supplementary analysis including the estimation of potential GDP and the impact of global trade tensions.

The development of macroeconomic projection tools using the MFT and DDT marked a major milestone for several reasons. Previously, there was no comprehensive multi-sector macroeconomic framework for forecasting. Additionally, having staff from multiple ministries involved in developing the MFT and DDT improved inter-ministry coordination and expanded capacity development opportunities. The CWG also produced a user manual in both English and Vietnamese to train new staff and sustain capacity building. To ensure transparency and accountability, the CWG maintained an open filing system where all files—including tools, databases, user manuals, and presentations—were available to everyone involved from the ministries.

Policy: Presenting the Projection Results in Policy Discussions

The CWG used the customized MFT and DDT to produce macroeconomic and debt projections under the baseline and alternative scenarios by incorporating external shocks or policy changes. The CWG also prepared a clear and well-structured report and presentation of macroeconomic analysis to inform policymakers in policy discussions. With the TA support, the CWG presented its macroeconomic analysis and projections to the 1317 policy working group chaired by the MPI Vice Minister. The MPI Vice Minister and the 1317 policy group welcomed the CWG's presentation, highlighted the quality of the analysis, and appreciated the TA achievement. The TA team helped the CWG analyze the impact of policies envisaged by the authorities, but it did not provide policy recommendations. Regular presentations by the CWG to policymakers will help the authorities formulate their macroeconomic policies and strengthen policy dialogue with the IMF in the context of surveillance.

Rebuilding the CWG after the Government Restructuring

The government restructuring and merger between the MPI and MOF in early 2025 changed the institutional arrangement for the CWG and led to major staff turnover, but the authorities' continued support helped sustain TA implementation. More than half of the CWG members—mostly senior staff—left the team due to job reassignments. The former MPI's FMD, which merged into the FID in the new MOF, continued to provide full support to the TA project by assigning new CWG members from the MOF and SBV. Meanwhile, the process of government restructuring, including the reorganization and staff turnover in the MOF, continued throughout 2025. In view of this, the TA team and the authorities agreed to refocus TA priorities on rebuilding the CWG and bringing new members up to speed in operating the MFT and DDT. TA activities during 2025 concentrated on strengthening internal coordination and helping new CWG members operate the tools and prepare presentations. These objectives were achieved by early 2026.

Moving forward, the priority of the CWG is to reestablish clear arrangement for providing regular analytical inputs to inform policymakers. The CWG's presentation in the 1317 policy working group marked an important milestone in contributing to the policy formulation process, and this policy channel needs to be reestablished after the government restructuring. The government established the Macroeconomic Steering Committee chaired by the Prime Minister in December 2025 and the Macroeconomic Coordination Group chaired by the Ministry of Finance in March 2026 to formulate and implement multi-disciplinary macroeconomic policies. The establishment of the Macroeconomic Coordination Group led by

the MOF will create an opportunity to further strengthen the role of the CWG and enhance its contribution to providing analytical inputs for policy discussions in the government. Therefore, it is important to link the CWG with the Macroeconomic Coordination Group so that the CWG's output can be used to inform policymakers.

Summary of Recommendations

Supporting the team. With the TA support, the authorities established the CWG by incorporating staff from ministries involved in the 1317 policy working group, formalized its roles and responsibilities, organized it into three functional sub-groups, and assigned coordinators to manage the work during the projection cycle. The government restructuring in early 2025 changed the institutional arrangement of the CWG, led to staff turnover, and posed transition challenges. However, the authorities preserved the CWG, assigned new members, and continued to support the TA project. Going forward, the TA team recommended preserving the multi-agency structure of the CWG, clarifying its roles and responsibilities in the MOF, assigning CWG coordinators to manage workflows, establishing internal training, and prioritizing staff with backgrounds in macroeconomic analysis or from policy departments when assigning new CWG members.

Operating the projection tools. With the TA support, the CWG built and operated macroeconomic projection tools customized for Vietnam, developed centralized database following the international standards for macroeconomic statistics, maintained an open filing system accessible to CWG members from different institutions, and completed a user manual to operate the tools. The CWG also ensured the consistency of historical data before making projections and analyzed the realism and consistency of projection results in line with TA recommendations. Moving forward, the TA team recommended establishing a clear projection cycle in the MOF, meeting regularly to maintain internal coordination, updating input database and policy assumptions based on the projection calendar, and performing ex-post evaluation of projection results.

Presenting the projection results in policy discussions. With the TA support, the MPI management and the CWG used the analytical outputs to inform policy discussions of the 1317 policy working group. Going forward, the priority is to establish a mechanism in which the CWG could channel its output to inform policy discussions in the MOF and the Macroeconomic Coordination Group. In the meantime, the CWG should continue to write reports and make presentations in policy discussions in the MOF. The MOF management should also continue asking the CWG to produce macroeconomic analysis to sustain the CWG and the capacity building efforts.