

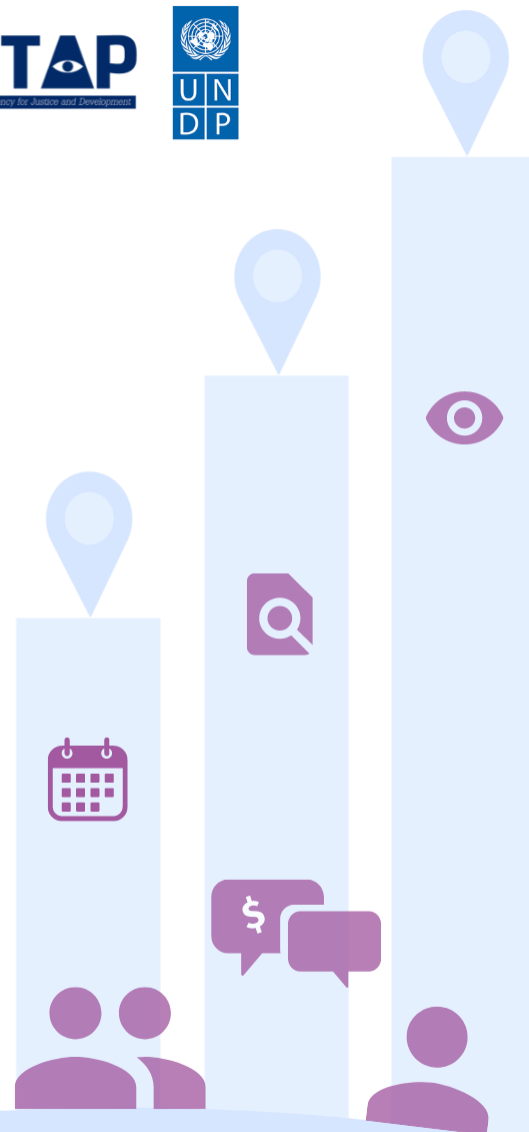


Toạ đàm chuyên đề | Thematic Discussion

MỘT SỐ THỰC HÀNH TỐT TRONG CÔNG KHAI NGÂN SÁCH ĐỊA PHƯƠNG VÀ HÀM Ý CHÍNH SÁCH

Good Practices in Local Budget Transparency
and Policy Implications

Hà Nội, 29/8/2023



| CONTENTS

PART I. INTRODUCTION

PART II. MAIN RESULTS

- **RESULTS OF REVIEWING LEGAL BASIS ON BUDGET PUBLICITY, ACCOUNTABILITY AND PARTICIPATION**
- **CORRELATION BETWEEN PAPI, PCI AND POBI INDICES FOR 2018 – 2021**
- **RESULTS FROM THE FIELD WORK**

PART III. CONCLUSIONS, POLICY RECOMMENDATIONS AND SUGGESTIONS FOR THE NEXT STEPS



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PART I. INTRODUCTION

OBJECTIVES OF THE RESEARCH

General objective

- ❖ To increase citizen participation in and transparency of state budget planning and expenditure in Vietnam for inclusive and people-centered governance.

Specific objectives

- ❖ To review and compare good practices of implementing budget publicity at the provincial level (including sub-provincial observations in different provinces with different levels of transparency and publicity based on measurable indices) and citizen participation in local government budget planning and monitoring in Vietnam.
- ❖ To review and provide comments on the amendment of the Law on State Budget 2015.

RESEARCH METHODS

1. Reviewing and updating all legal basis on budget publicity, accountability of state governance agencies for budget issues, and citizen participation in the budget cycle.
2. Examining the relationship between the Provincial Open Budget Index (POBI) and some other indices such as the Provincial Governance and Public Administration Performance Index (PAPI) and the Provincial Competitiveness Index (PCI).
3. From the correlation analysis results, the research team conducts field trips in localities with high POBI, PAPI and PCI scores in terms of budget information publicity to learn about the budget publicity practices, lessons learned as well as existing problems to make appropriate recommendations.



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PART II. KEY RESULTS



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II.1. RESULTS OF REVIEWING LEGAL BASES ON BUDGET PUBLICITY, ACCOUNTABILITY AND PARTICIPATION

LEGAL BASIS ON STATE BUDGET PUBLICITY

No.	Document	Year	Article/Clause	Main content
1	Constitution of the Socialist Republic of Vietnam	2013	Clauses 1 and 2, Article 55	Regulations on budget publicity, national reserves, state financial funds, and other public financial sources.
2	Law on State Budget	2015	Clause 1, Article 15	Regulations on the contents, responsibilities, forms, and time of information publicity.
3	Law on Access to Information	2016	Article 9, Article 17 and Article 18	Responsibility to provide information, right to access information, accessible information, and forms of information publicity.
4	Law on Public Investment	2019	Article 14	Publicity and transparency in public investment.
5	Law on State Audit	2015	Article 50, Article 51	Publicity of audit reports, publicity of annual consolidated audit reports, and compliance with auditors' opinions
6	Law on the Implementation of Grassroots Democracy	2022	Article 11, Article 5, Article 46, 47 and 48	The contents related to the budget that the commune-level government must publicize.
7	Decree 163/2016/NĐ-CP	2016	Article 46 to Article 51	Guidelines for the implementation of a number of Articles of the Law on State Budget, including state budget publicity, results of the implementation of recommendations of the State Audit.
8	Decree 25/2017/NĐ-CP	2017	Article 14	Publicity of State Financial Reports.
9	Circular 343/2016/TT-BTC	2016	Article 7 to Article 10	Guidelines for the implementation of state budget publicity for various budget levels.
10	Circular 61/2017/TT-BTC	2017	Chapter 2 and Chapter 3	Guidelines for the implementing budget publicity for budget estimating units (ministries, central agencies), and state-budget supported organizations.
11	Circular 90/2018/TT-BTC	2018	Clause 3, Article 1	Amending certain Articles of Circular 61/2017/TT-BTC.

Source: Research group synthesizing from the website: thuvienphapluat.vn

LEGAL BASIS ON ACCOUNTABILITY

No.	Document	Year	Article/Clause	Main content
1	Constitution of the Socialist Republic of Vietnam	2013	Clause 1, Article 77	The right to request explanations from the Council of Ethnicities and Committees of the National Assembly.
2	Law on Anti-Corruption	2018	Article 3, Article 15	Regulations regarding the accountability of agencies, organizations, units, and individuals in the performance of tasks and duties when requested by individuals, units, organizations, and media agencies.
3	Decree 59	2019	Article 3	Guidelines for implementing certain Articles of the 2018 Law on Anti-Corruption, which specifically outline the contents of explanations.

Source: Research group synthesizing from the website: *thuvienphapluat.vn*

LEGAL BASIS ON CITIZEN PARTICIPATION

No.	Document	Year	Article/Clause	Main content
1	Constitution of the Socialist Republic of Vietnam	2013	Article 28	Regulations on the right of citizens to participate in state governance, discuss, and make recommendations to state agencies
2	Law on State Budget	2015	Article 16, Article 34	Regulations on the right to supervise, the right to access financial and budget information of agencies, organizations, and individuals.
3	Law on Fatherland Front	2015	Article 8, Article 21, Article 24	Concretizing the Constitution's regulations regarding the roles of socio-political organizations in participating in state governance, conducting supervision, and engaging in social criticism.
4	Law on Trade Unions	2012	Article 1, Article 11, Article 14, Article 21	
5	Law on Youth	2020	Article 28, Article 29 and Article 30	
6	Law on the Implementation of Grassroots Democracy	2022	Article 11, Article 12, Article 13, Article 46 and Article 47	Regulations on the contents of publicity and forms of information publicity at the grassroots level (commune level).
7	Decree 163/2016/NĐ-CP	2016	Article 52	Regulations on community supervision of the state budget through various levels of the Fatherland Front, People's Inspection Committee, and Community Investment Supervision Committee.

Source: Research group synthesizing from the website: thuvienphapluat.vn

GAPS IN THE LEGAL FRAMEWORK ON BUDGET TRANSPARENCY AND CITIZEN PARTICIPATION

❖ **Regarding budget transparency:**

- Regulations regarding the timing of budget document publicity, such as draft estimates and annual budget implementation reports, remain unclear and difficult to determine.
- There is a lack of regulations for the online form of publicity of documents concerning commune budgets and non-budget funds.
- Regulations regarding commune budget publicity at the Commune People's Committee headquarters for at least 30 days create difficulties for people to access information.
- Currently, provincial authorities have to prepare various budget documents based on different templates stipulated in various circulars, decrees, and regulations, leading to time and human resource inefficiencies.
- There are no sanctions or measures in place for delayed publicity or non-publicity of budget documents at all levels.

❖ **Regarding citizen participation:**

- At the Law and sub-law document levels, there are no specific regulations regarding direct citizen participation in state budget management activities but primarily indirect participation through representative mechanisms.
- As for the budget sector, citizens are allowed to participate in the budget cycle through representative mechanisms as stipulated in Article 16 of the Law on State Budget 2015, but there is still no specific and detailed guidance. This regulation appears to be formality in nature rather than for practical application.



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II.2. CORRELATION BETWEEN PAPI, PCI AND POBI INDICES FOR 2018 – 2021

CORRELATION BETWEEN PAPI, PCI AND POBI INDICES FOR 2018 – 2021

Caveats:

- ❖ In this section, the research team will attempt to explore any correlations between the Provincial Open Budget Index (POBI) and various indices including the Provincial Governance and Public Administration Performance Index (PAPI) (focusing on the evaluation criteria of the index 2 'Publicity and transparency in decision-making at the local level', especially the content of the component 'Publicity of commune budget revenues and expenditures' – “PAPI Budget Transparency” for short) and the Provincial Competitiveness Index (PCI) (specifically, component index 3 “Transparency” – “PCI Transparency” for short).
- ❖ Each measurement (index) employs a different methodology; therefore, comparisons are purely relative in nature.

CORRELATION BETWEEN COMPONENT SCORES OF COMMUNE-LEVEL BUDGET TRANSPARENCY OF PAPI AND POBI (1/4)

OLS regression between changes in PAPI Budget Transparency and POBI over the years

Variable names	Changes in PAPI budget transparency over the years
Changes in POBI over the years	0.0010*
Constant	-0.0032
Obs	184
R2	0.0209
R2-adj	0.0155
df(r)	182
SSR	4.1272

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Source: Calculations by the author from the results of PAPI budget transparency component and POBI for the period 2018-2021.

CORRELATION BETWEEN COMPONENT SCORES OF COMMUNE-LEVEL BUDGET TRANSPARENCY OF PAPI AND POBI (2/4)

The number of provinces grouped by the correlation between PAPI (criteria of transparency in commune-level budget revenues and expenditures) and POBI

Group	2018	2019	2020	2021
Group 1: Above the average level of PAPI budget transparency and below the average level of POBI	16	12	12	11
Group 2: Above the average level of PAPI budget transparency and POBI	16	19	19	16
Group 3: Below the average level of PAPI budget transparency and above the average level of POBI	19	18	16	21
Group 4: Below the average level of PAPI budget transparency and POBI	10	14	16	12
Total*	61	63	63	60

Note: * In 2018, the two provinces of Quang Ninh and Dong Thap were not ranked in PAPI, and in 2021, the three provinces of Quang Ninh, Bac Giang, and Bac Ninh were not ranked in PAPI.

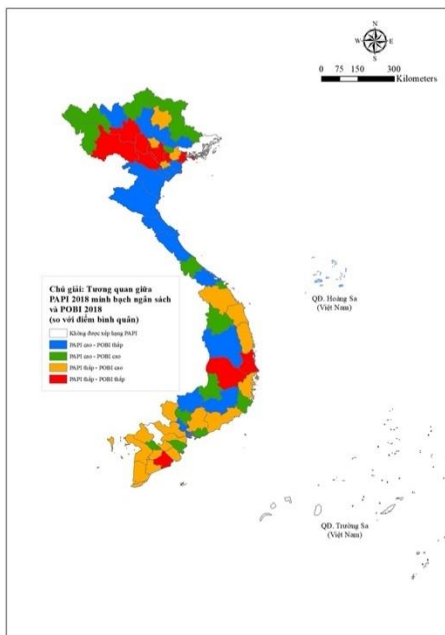
Source: The author's calculations based on the results of the PAPI budget transparency component and POBI for the period 2018-2021.

CORRELATION BETWEEN COMPONENT SCORES OF COMMUNE-LEVEL BUDGET TRANSPARENCY OF PAPI AND POBI (3/4)

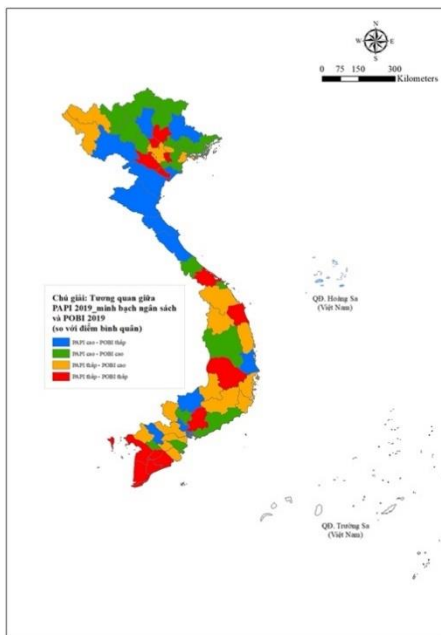
- ❖ Nam Dinh, Thanh Hoa, and Ha Tinh are provinces that have been consistently in Group 1 for four consecutive years, with PAPI budget transparency component scores higher than the average but POBI scores lower than the average. Additionally, Lao Cai, Quang Binh, Binh Phuoc, Ho Chi Minh City, and Dong Thap have been in Group 1 for three out of four years.
- ❖ Quang Tri is the only province that has been consistently in Group 2 for four consecutive years, with both PAPI budget transparency component scores and POBI scores higher than the respective averages. Additionally, Ha Giang, Cao Bang, Yen Bai, Lang Son, Binh Duong, Ba Ria - Vung Tau, and Ben Tre have been in Group 2 for three out of four years.
- ❖ Tra Vinh and Vinh Long are two provinces that have been consistently in Group 3 for four consecutive years, with PAPI budget transparency component scores lower than the average but POBI scores higher than the average. Additionally, Dien Bien, Lai Chau, Vinh Phuc, Hai Duong, Quang Nam, Quang Ngai, Binh Dinh, Khanh Hoa, Tay Ninh, Dong Nai, An Giang, and Ca Mau have been in Group 3 for three out of four years.
- ❖ Soc Trang is the only province that has been consistently in Group 4 for four consecutive years, with PAPI budget transparency component scores and POBI scores lower than the average of each index. Additionally, the provinces of Phu Yen, Dak Lak, and Kien Giang are also in Group 4 for three out of four years.

CORRELATION BETWEEN COMPONENT SCORES OF COMMUNE-LEVEL BUDGET TRANSPARENCY OF PAPI AND POBI (4/4)

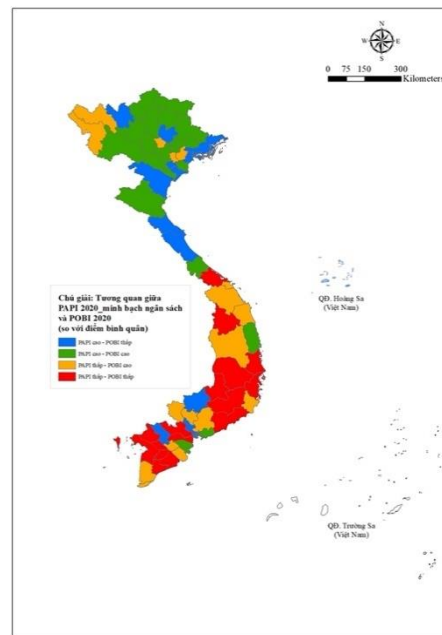
Correlation maps



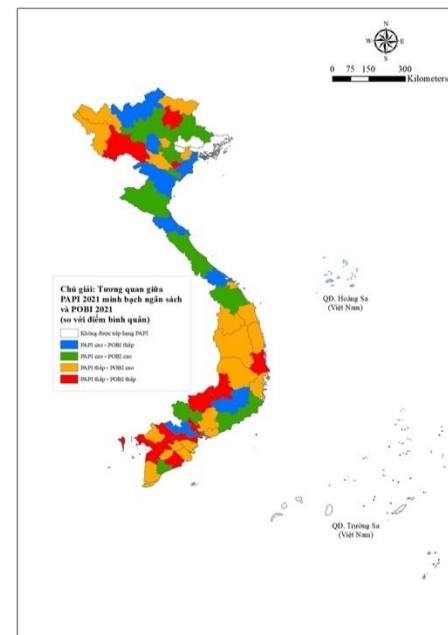
PAPI budget transparency – POBI 2018



PAPI budget transparency – POBI 2019



PAPI budget transparency – POBI 2020



PAPI budget transparency – POBI 2021

Note:



- Not ranked in PAPI budget transparency component
- PAPI budget transparency high – POBI low
- PAPI budget transparency high – POBI high
- PAPI budget transparency low – POBI high
- PAPI budget transparency low – POBI low

Source: The author created the correlation map based on the results of the PAPI budget transparency component and POBI for the period 2018-2021 using ArcGIS software.

CORRELATION BETWEEN PCI TRANSPARENCY COMPONENT AND POBI (1/4)

OLS regression between changes in PCI transparency component scores and POBI over the years

Variable names	Changes in PCI transparency over the years
Changes in POBI over the years	0.0050*
Constant	-0.1303*
Obs	189
R2	0.0230
R2-adj	0.0178
df(r)	187
SSR	94.2489

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Source: Calculations by the author from the results of PCI transparency component and POBI for the period 2018-2021.

Notes on transparency component in PCI Index: in 2018, 2019 and 2020 the PCI questionnaire has a question related to “Budget documents are detailed enough for businesses to use for operations”. In 2021, there is no longer a budget-related question in the PCI index.

CORRELATION BETWEEN PCI TRANSPARENCY COMPONENT AND POBI (2/4)

The number of provinces grouped by the correlation between PCI transparency and POBI

Group	2018	2019	2020	2021
Group 1: Above average level of PCI transparency and below average level of POBI	14	11	12	13
Group 2: Above average level of PCI transparency and POBI	19	18	19	21
Group 3: Above average level of PCI transparency and below average level of POBI	17	19	16	19
Group 4: Below average level of PCI transparency and POBI	13	15	16	10
Total	63	63	63	63

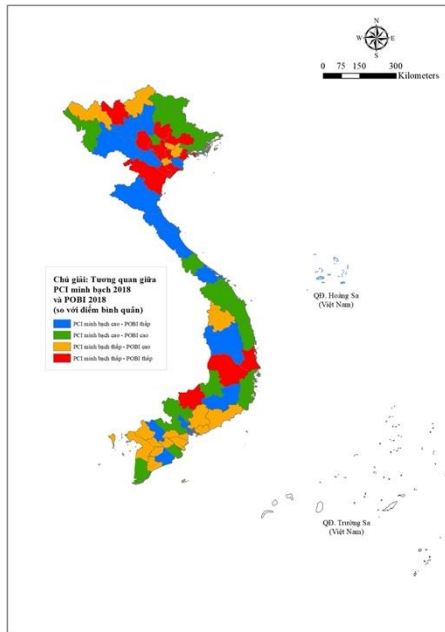
Source: The author's calculations from the results of the PCI transparency component and POBI for the period 2018-2021.

CORRELATION BETWEEN PCI TRANSPARENCY COMPONENT AND POBI (3/4)

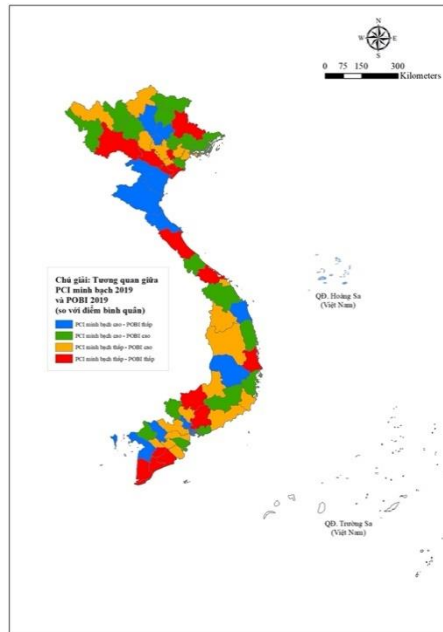
- ❖ Dong Thap is the only province that has been consistently in Group 1 for four consecutive years, meaning it has PCI transparency score above the average but a POBI score below the average. Additionally, Thua Thien-Hue is a province that has been in Group 1 for at least three out of the four years.
- ❖ **Dien Bien** and Quang Tri are two provinces that have been consistently in Group 2 for four consecutive years, meaning they have PCI transparency and POBI scores above the respective averages. Additionally, Bac Kan, Quang Ninh, Da Nang, Quang Nam, Binh Dinh, Binh Duong, and Ben Tre are provinces that have been in Group 2 for at least three out of the four years.
- ❖ Hai Duong is the only province that has consistently been in Group 3 for four consecutive years, indicating that it has a PCI transparency score lower than the average, but its POBI score is higher than the average. Additionally, Hanoi, Ha Giang, and Tra Vinh are provinces that have been in Group 3 for at least three out of the four years.
- ❖ Nam Dinh is the only province that has consistently been in Group 4 for four consecutive years, indicating that it has PCI transparency and POBI scores lower than the average. Additionally, Phu Yen, Binh Phuoc, and Soc Trang are provinces that have been in Group 4 for at least three out of the four years.

CORRELATION BETWEEN PCI TRANSPARENCY COMPONENT AND POBI (4/4)

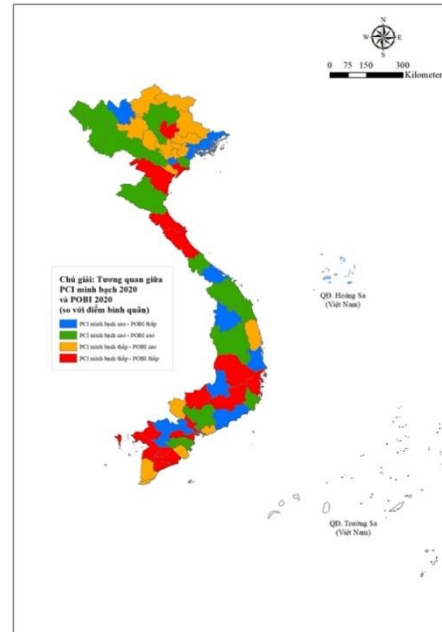
Correlation maps



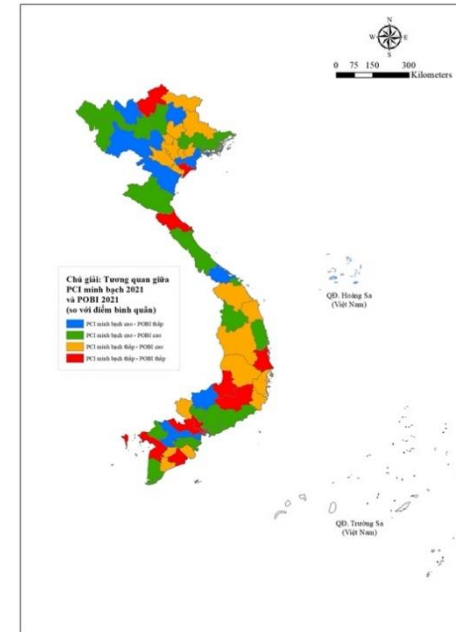
PCI transparency – POBI 2018



PCI transparency – POBI 2019

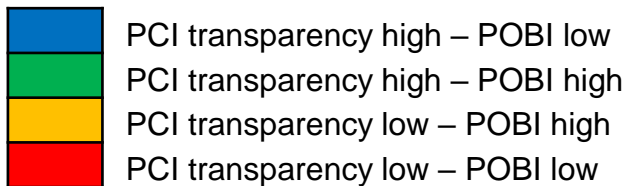


PCI transparency – POBI 2020



PCI transparency – POBI 2021

Note:



Source: The author created this using the results of the PCI transparency component and POBI from the 2018-2021 period, using ArcGIS software.



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II.3. RESULTS FROM THE FIELD WORK

PRACTICE OF BUDGET TRANSPARENCY AND CITIZEN PARTICIPATION IN THE BUDGET CYCLE IN DIEN BIEN AND BA RIA - VUNG TAU PROVINCES

OVERVIEW OF DIEN BIEN AND BA RIA – VUNG TAU

Dien Bien province

- Geographical location: Situated in the Northwest region of Vietnam, sharing borders with Laos and China.
- Area: 9,539.9 km²
- Population: 625.1 thousand people (2021), population density of 66 people/km²
- Ethnic composition: Mainly comprised of Thai (>30%), H'Mong (>30%) and other ethnic groups.
- Administrative hierarchy: 10 district-level administrative units (including one provincial city and one town), 129 commune-level administrative units
- Provincial budget scale: 14.27 trillion VND (2023 budget estimation).
- A significant portion of Dien Bien's budget is supported by the central government (83.8% according to the 2023 budget estimation)

Ba Ria – Vung Tau province

- Geographical location: Situated in the Southeast region Vietnam, with over 305 km of coastline.
- Area: 1,982 km²
- Population: 1.17 million people (2021), population density of 593 people/km²
- Ethnic composition: Mainly comprised of Kinh ethnicity.
- Administrative hierarchy: 8 district-level administrative units (including two provincial cities, one town and one island district), 82 commune-level administrative units.
- Provincial budget scale: 27.14 trillion VND (2023 budget estimation).
- One of the 17 provinces nationwide with budget autonomy and the capability to redistribute budget to the central level.

PRACTICES OF PROVINCIAL OPEN BUDGET (1/2)

Dien Bien province

- Annually, the Provincial People's Committee issues regulations on local budget management and administration, such as Decision No. 186/QD-UBND dated January 26, 2022, and Decision No. 106/QD-UBND dated January 19, 2023.
- **These decisions clearly outline the requirements for all levels and sectors to provide guidance and ensure the full implementation of financial transparency regimes for budget levels**, budgetary units, state budget-supported organizations, and fundamental construction investment projects utilizing state budget funds.
- Furthermore, they specify that finance and budget publicity must be carried out following the guidelines provided in circulars such as Circular 343/2016/TT-BTC, Circular 61/2017/TT-BTC, Circular 90/2018/TT-BTC, Circular 19/2015/TT-BTC, Decree 151/2017/NĐ-CP, Circular 144/2017/TT-BTC, and Circular 54/2006/TT-BTC.
- The Provincial People's Committee's decisions also stipulate that the provincial level must publicize budgets on the electronic portal of the Provincial People's Committee; district-level People's Committees are required to establish a budget transparency section on their electronic portals to publicize data and budget reports as per regulations.

PRACTICES OF PROVINCIAL OPEN BUDGET (2/2)

Ba Ria – Vung Tau province

- The Provincial Party Committee and the People's Committee of Ba Ria - Vung Tau province have established specific directions and guidance to promote budget publicity and transparency in the province. Specifically, Resolution No. 09-NQ/DH dated September 25, 2020, of the 7th Party Congress of delegates of Ba Ria - Vung Tau province, term 2020-2025, has resolved to set targets for government building and administrative reform “Striving for the highest ranks in PAPI, PCI, **POBI**, PAR Index, and ICT Index among **the top 10 provinces nationwide**”.
- The People's Committee of Ba Ria - Vung Tau province has issued Directive No. 05/CT-UBND dated March 26, 2021, regarding the improvement of the Provincial Competitiveness Index (PCI) for the period 2020-2025, which stipulates: 'Departments and agencies shall enhance the transparency of budget-related documents with sufficient details for enterprises to use for their operations, **budget-related documents shall be published immediately after being approved by competent agencies and individuals**; The Departments of Planning and Investment, Departments of Finance; People's Committees of districts, towns, and cities shall regularly update and publish information on the collection, expenditure, and utilization of the budget, and the socio-economic development plans of the province and localities.’”

RESULTS OF PROVINCIAL OPEN BUDGET

Dien Bien province

Results of POBI in Dien Bien 2018 - 2021

Period	POBI score before adjustment	POBI score after adjustment based on the base year 2018	Ranking before adjustment	Ranking after adjustment based on base year 2018
2018	68.95	64.02	14	17
2019	72.86	76.54	26	26
2020	88.86	94.44	6	8
2021	84.93	95.04	9	7

Ba Ria – Vung Tau province

Result of POBI in Ba Ria – Vung Tau 2018 - 2021

Period	POBI score before adjustment	POBI score after adjustment based on the base year 2018	Ranking before adjustment	Ranking after adjustment based on base year 2018
2018	85.91	82.98	2	2
2019	90.39	92.59	2	5
2020	90.45	95.83	3	6
2021	98.59	100	1	1

Source: Synthesis from POBI Results 2018-2021

PRACTICES OF DISTRICT OPEN BUDGET

Dien Bien province

- ❖ Survey area: People's Committee of Dien Bien Phu city and People's Committee of Dien Bien Dong district:
 - In Dien Bien Phu city, the focus of directions and activities is mainly on the DDCI index (Competitiveness Index at the Department, Industry, and Local Level).
 - In Dien Bien Dong district, in 2022, the People's Committee of Dien Bien Dong district issued directives to budgeting agencies and units in the district, and People's Committees of communes and towns regarding the enhanced implementation of state budget publicity in the district (For example, Directive No. 1082/UBND-TCKH).

Ba Ria – Vung Tau province

- ❖ Survey area: People's Committee of Ba Ria city and People's Committee of Long Dien district:
 - In Ba Ria city, the Committee's leaders stated that the city has issued directives stating that if tasks are not carried out, they will be transferred to the internal affairs department for monitoring and reporting. The Office of the Committee will monitor the progress of work and evaluate it based on levels of completion, delay, and non-completion.
 - In Long Dien district, the Committee's leaders emphasized that the state budget must be publicized, and the more public, the better. Additionally, budget transparency is also a criterion for evaluating and ranking localities according to the set criteria of the provincial People's Committee.

RESULTS OF DISTRICT OPEN BUDGET (1/2)

Dien Bien province

- ❖ Survey area: People's Committee of Dien Bien Phu city and People's Committee of Dien Bien Dong district:
 - Both Dien Bien Phu city and Dien Bien Dong district have a budget transparency section on their official websites.
 - At the time of the survey, the official websites of Dien Bien Phu city and Dien Bien Dong district did not fully publicize all budget-related documents as required.

Document	2018		2019		2020		2021		2022	
	Dien Bien Phu City	Dien Bien Dong District	Dien Bien Phu City	Dien Bien Dong District	Dien Bien Phu City	Dien Bien Dong District	Dien Bien Phu City	Dien Bien Dong District	Dien Bien Phu City	Dien Bien Dong District
The draft budget estimate report submitted to the District/City People's Council.	●	●	●	●	●	●	●	●	●	●
The budget estimate report approved by the District/City People's Council.	●	●	●	●	●	●	●	●	●	●
The budget implementation report for the 1 st quarter of the district	●	●	●	●	●	●	●	●	●	●
The budget implementation report for the 2 nd quarter of the district	●	●	●	●	●	●	●	●	●	●
The budget implementation report for the 3 rd quarter of the district	●	●	●	●	●	●	●	●	●	●
The budget implementation report of the annual district budget estimate	●	●	●	●	●	●	●	●	●	●
The budget settlement report approved by the District/City People's Council	●	●	●	●	●	●	●	●	●	●

● Not publicized

● Publicized but late

● Timely publicized

RESULTS OF DISTRICT OPEN BUDGET (2/2)

Ba Ria – Vung Tau province

- ❖ Survey area: People's Committee of Ba Ria city and People's Committee of Long Dien district:
 - Both Ba Ria city and Long Dien district have a budget transparency section on their official websites.
 - At the time of the survey, the official websites of Ba Ria city and the People's Committee of Long Dien district publicized substantial budget documents for the years 2022 and 2023, as required by regulations.

Document	2018		2019		2020		2021		2022	
	Ba Ria City	Long Dien District	Ba Ria City	Long Dien District	Ba Ria City	Long Dien District	Ba Ria City	Long Dien District	Ba Ria City	Long Dien District
The draft budget estimate report <u>submitted</u> to the District/City People's Council.	●	●	●	●	●	●	●	●	●	●
The budget estimate report <u>approved</u> by the District/City People's Council.	●	●	●	●	●	●	●	●	●	●
The budget implementation report for the 1 st quarter of the district	●	●	●	●	●	●	●	●	●	●
The budget implementation report for the 2 nd quarter of the district	●	●	●	●	●	●	●	●	●	●
The budget implementation report for the 3 rd quarter of the district	●	●	●	●	●	●	●	●	●	●
The budget implementation report of the annual district budget estimate	●	●	●	●	●	●	●	●	●	●
The budget settlement report approved by the District/City People's Council	●	●	●	●	●	●	●	●	●	●

● Not publicized

● Publicized but late

● Timely publicized

OPEN BUDGET IN COMMUNES/WARDS/TOWNS

Dien Bien province

- ❖ Survey area:
 - Dien Bien Phu city: Him Lam ward.
 - Dien Bien Dong district: Dien Bien Dong town and Na Son commune.
- ❖ The practice of budget publicity at the commune/ward/town headquarters is not being taken seriously.
- ❖ The leaders as well as the financial and accounting staff in Dien Bien Dong town do not have a clear understanding of the budget revenue and expenditure situation in the local area.
- ❖ The publicized documents are still very recent, and there are even documents that were signed, sealed, and disclosed on the day when the research team conducted on-site surveys in the localities.

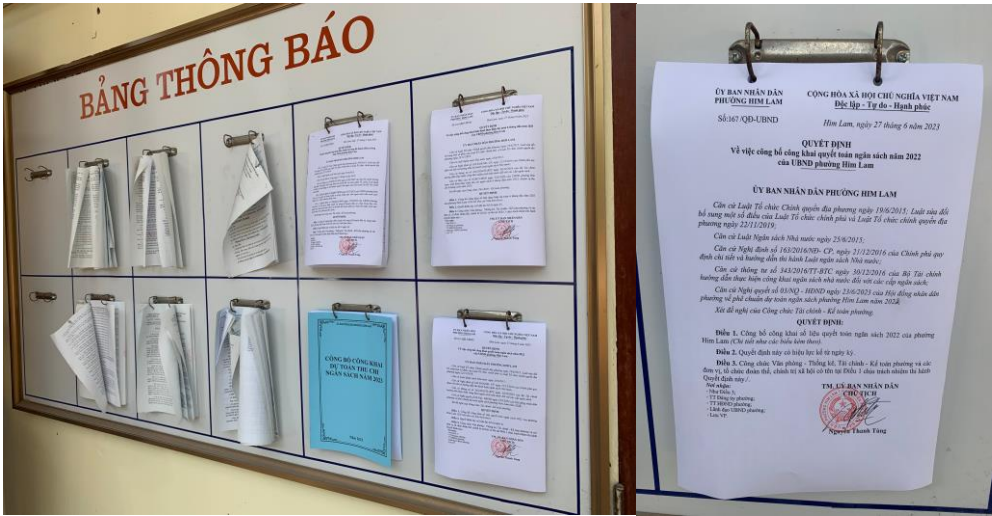
Ba Ria – Vung Tau province

- ❖ Survey area:
 - Ba Ria city: Phuoc Nguyen ward.
 - Long Dien district: Long Hai town and Phuoc Hung ward.
- ❖ The surveyed localities implemented budget information publicity in accordance with the guidelines of Circular 343/2016/TT-BTC.
- ❖ In Long Hai town, the model “**Saturday of listening to the people**” has been implemented since 2022 to directly meet, dialogue with, and address the concerns of the local residents. This model has been expanded and is currently being adopted across the entire Ba Ria – Vung Tau province.

“SATURDAY OF LISTENING TO THE PEOPLE” MODEL IN BA RIA – VUNG TAU

- ❖ **Initiator:** Mr. Nguyen Thanh Van – Chairman of the People’s Committee of Long Hai town, Long Dien district, Ba Ria-Vung Tau province, proposed in September 2022.
- ❖ **Reasons for organization:**
 - There are many issues that constituents raise with the authorized representatives of the local government for resolution, but they have not been thoroughly considered and timely addressed.
 - Citizens are hesitant to interact and meet with officials, and they feel anxious and inconvenienced when visiting government offices.
 - To create a comfortable, friendly, and approachable space for citizens to easily express their opinions and suggestions to local leaders and authorities.
- ❖ **Form of organization:** The commune leaders along with specialized officials will directly go to convenient locations in neighborhoods to meet and address citizens' concerns on Saturdays.
- ❖ **Implementation results:**
 - By May 2023, there have been 13 sessions held in all 12 neighborhoods of the town.
 - Over 766 citizens participated, with 138 opinions expressed (25 opinions related to budget and investment).
 - 116 opinions have been resolved (84%).
 - The provincial People's Committee has provided guidance to expand the model throughout the province.

IMAGES OF BUDGET PUBLICITY AT THE HEADQUARTERS OF COMMUNE/ WARD/TOWN PEOPLE'S COMMITTEE IN DIEN BIEN PROVINCE



Budget publicity at Him Lam ward, Dien Bien Phu city

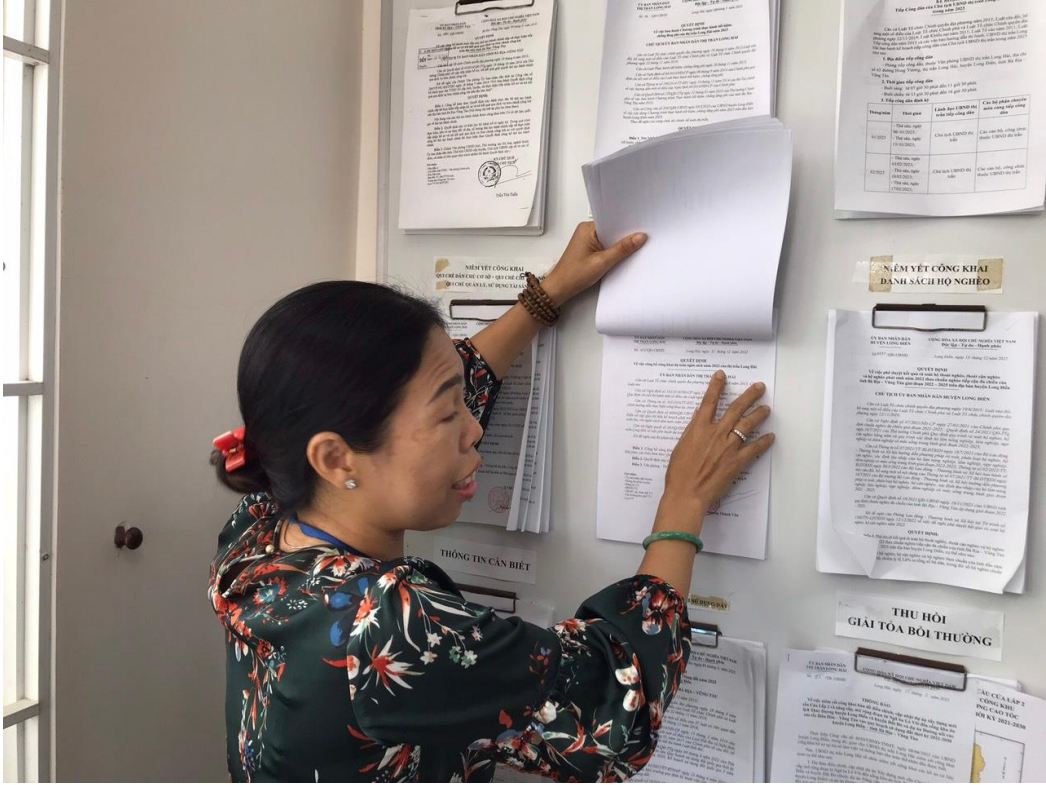
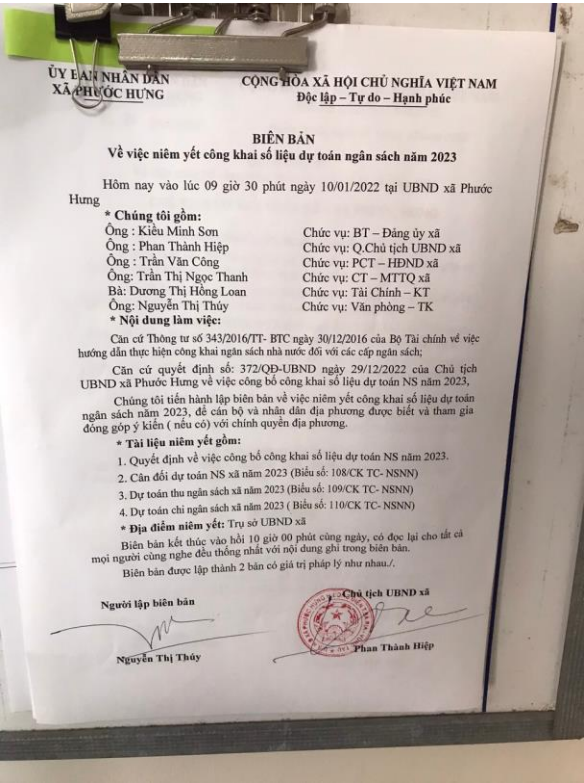


Budget publicity at Na Son commune, Dien Bien Dong district



Budget publicity at Dien Bien Dong town, Dien Bien Dong district

IMAGES OF BUDGET PUBLICITY AT THE HEADQUARTERS OF COMMUNE/ WARD/TOWN PEOPLE'S COMMITTEE IN BA RIA - VUNG TAU PROVINCE



Budget information publicity at the one-stop unit of Phuoc Hung ward People's Committee

Budget information publicity at the one-stop unit of Long Hai town People's Committee

OPEN BUDGET AT HAMLETS/VILLAGES/RESIDENTIAL AREAS

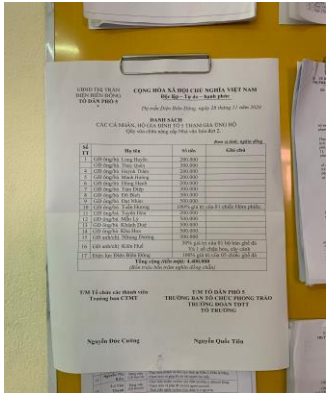
Dien Bien Province

- ❖ Survey area: neighborhood 5, Dien Bien Dong town, and Na Canh village, Na Son commune
- ❖ In the surveyed hamlets/villages, the commune-level budget documents are publicized and displayed at the local hamlet/village/community headquarters. However, these publicized documents still seem quite new, as if they have just been sent down and hung up.
- ❖ Furthermore, information about revenue and expenditure items, including community-driven initiatives to improve local cultural facilities, is publicly displayed at the cultural center.
- ❖ However, the publicity regarding revenue and expenditure of non-budget funds still has several limitations. People only know how much they need to contribute, which funds, while the details of how the funds are used remain largely unknown.

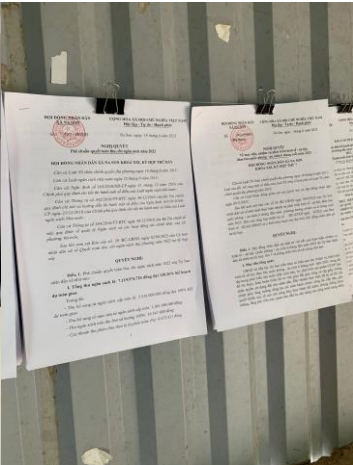
Ba Ria – Vung Tau Province

- ❖ Survey area: Phuoc Lam village, Phuoc Hung commune and Hai Son neighborhood, Long Hai town.
- ❖ We were unable to verify evidence of the publicity of village budget documents for the people.
- ❖ The headquarters of neighborhoods/communities do not have notice boards, or if they do, there is no publicly posted information.
- ❖ Village and community leaders mentioned receiving documents regarding the socio-economic development indicators of the commune, including allocations for each neighborhood and residential area, but detailed information about the local budget revenue and expenditure is not clear.
- ❖ Similar to Dien Bien province, the publicity of information regarding revenue and expenditure of non-budget funds in Ba Ria - Vung Tau also has many limitations.

IMAGES OF BUDGET PUBLICITY AT THE HEADQUARTERS OF NEIGHBORHOODS/VILLAGES/HAMLETS IN DIEN BIEN PROVINCE



Information publicity at Neighborhood 5 center, Dien Bien Dong town



Information publicity at Na Canh village, Na Son commune

IMAGES OF BUDGET PUBLICITY AT THE HEADQUARTERS OF NEIGHBORHOODS/RESIDENTIAL AREAS IN BA RIA – VUNG TAU PROVINCE



Information publicity board at Phuoc Lam village,
Phuoc Hung ward, Long Dien district

CITIZEN PARTICIPATION IN THE BUDGET CYCLE

Dien Bien Province

- Only elected representatives, leaders of neighborhood/residential areas have information about revenue/expenditure of commune/ward/town budgets.
- In Neighborhood 5, Dien Bien Dong town, the majority of interviewed residents have not heard of specialized terms such as "budget estimate" or "budget settlement"; some are not aware of their rights when paying taxes; some are hesitant to express their concerns during meetings and constituent interactions, fearing criticism or dislike, leading them to avoid attending these meetings.
- In Na Canh village, Na Son commune: Residents participating in the interview shared that they are publicly informed about the matters related to revenue/expenditure of the budget through meetings and constituent interactions.

Ba Ria – Vung Tau Province

- Citizens participate in the budget cycle through the representative mechanism.
- Only elected representatives, leaders of neighborhood/residential areas have information about revenue/expenditure of commune/ward/town budgets.
- In Phuoc Lam Village, Phuoc Hung Ward, interviewed residents were unaware that budget information is posted at the one-stop area; in cases where they visit the agency for transactions, they do not pay attention to the displayed information.
- The residents heard the neighborhood leader talk about revenues and expenditures, but they only have information about the revenues related to non-budget funds.
- In Hai Son neighborhood, Long Hai town, there was no direct access to local residents (except for the neighborhood leaders and women's union branch officials).



Ireland



PART III. CONCLUSIONS, POLICYRECOMMENDATIONS AND SUGGESTIONS FOR THE NEXT STEPS



CONCLUSION (1/3)

| On the legal bases

- ❖ The legal bases regarding the budget publicity, accountability of state agencies, and citizen participation are fundamentally complete, but there are still some gaps related to the following issues:
 - The current regulations make it difficult to determine the timing of publicity of certain budget documents such as budget estimates and annual budget implementation reports.
 - There is no regulation regarding the online publicity of commune-level budget documents and non-budget funds.
 - The regulation on the minimum period for the publicity of commune-level budget documents at the commune People's Committee headquarters restricts citizens' accessibility.
 - The process of preparing and publicizing budget documents is carried out using multiple templates under different regulations, leading to time and resource inefficiencies.
 - There is no mechanism to address delays in publicity or non-publicity of budget documents at different levels.
 - There is no regulation for direct citizen participation, and the regulations for indirect participation through representative mechanisms are largely formal in nature.

CONCLUSION (2/3)

| On the correlation between the PAPI, PCI, and POBI indices

- ❖ There is no evidence of a correlation between the changes in scores over the years of the PAPI and PCI indices with the changes in the POBI scores during the period of 2018-2021.
- ❖ There is a positive correlation between the changes in the scores of the component index related to the publicity of commune-level budget revenues and expenditures of the PAPI, the transparency component index of the PCI and the changes in the scores of the POBI for the period 2018-2021.
- ❖ There are provinces/cities with high POBI scores but low PAPI budget transparency and PCI transparency scores and vice versa. This shows that public posting on e-portals is not enough, and vice versa.

CONCLUSION (3/3)

On the practices of budget publicity in Dien Bien and Ba Ria – Vung Tau Province

- ❖ The practices of budget document publicity are carried out seriously and comprehensively at the provincial level. However, at the district and commune levels, as well as within villages/hamlets/neighborhoods/residential areas, the practice of budget publicity has not been rigorously enforced and remains incomplete compared to regulations, especially at the commune/ward/town levels.
- ❖ Ba Ria – Vung Tau province has a relatively better practice of budget publicity at the provincial, district, and commune levels compared to Dien Bien province, as it has successfully established a "**transparency culture**" from the provincial level down to the commune level.
- ❖ In Ba Ria – Vung Tau, where citizens contribute significantly to the budget, people's demand for transparency is higher. Conversely, in Dien Bien, where a substantial portion of the budget comes from the higher level and citizen contributions are lower, people's demand for budget transparency is lower.
- ❖ Citizens still face difficulties in searching for and accessing budget-related documents (they are unsure about whom to approach and hesitate to ask local officials about these matters).
- ❖ The publicity of information regarding the revenues and expenditures of non-budget funds still has limitations. This is a vague point in the publicity of budgets at various levels, not only in Dien Bien and Ba Ria – Vung Tau.

POLICY RECOMMENDATIONS (1/3)

Regarding the legal framework

- ❖ Amendment of regulations regarding the timing of publicizing budget documents should be carried out with specific timeframes defined to enhance accessibility and encourage contributions from the people.
- ❖ Regulations on online publicity should be supplemented for commune-level budget documents and grassroots non-state funds, along with guidelines on the format of publicizing such non-state funds (the district level could be in charge of publicizing these documents).
- ❖ Extension of the timeframe for publicizing commune-level budget documents instead of only specifying a minimum of 30 days at the Commune People's Committee headquarters is needed.
- ❖ Regulations on budget publicity templates as guided by Decree 31 and Circulars 343 as well as the online publicity system of the Ministry of Finance should be harmonized.
- ❖ There should be a mechanism to handle delays in publicity and non-publicity of budget documents.

POLICY RECOMMENDATIONS (2/3)

Regarding the issue of budget publicity

- ❖ Localities must adhere to and accurately implement the publicity of budget documents in accordance with the regulations of the Law on State Budget 2015 and follow the guidance provided by Decrees and Circulars.
- ❖ The publicity of provincial and district budgets should not only be done online but also combined with simultaneous publicity at the headquarters of Commune People's Committees, and even at the headquarters of neighborhoods where it is truly accessible and convenient for the people. In reality, many areas still have limitations in terms of access to basic services like electricity, or even more so, the internet; thus, direct access becomes essential.
- ❖ Access to budget information/documents should be enhanced for vulnerable groups such as people with disabilities, and the visually impaired by diversifying the formats of budget documents (for instance, in braille or audio formats...).
- ❖ It is necessary to encourage the implementation and publicization of **Citizens Budgets Report** at all budget levels, especially for the commune budget.

POLICY RECOMMENDATIONS (3/3)

Regarding the issue of citizen participation, thereby increasing budget accountability of local authorities

- ❖ Specific guidelines are needed to enable citizens to contribute their opinions on general state governance issues and specifically on budget-related matters, in accordance with the representative mechanism stipulated in the Constitution and relevant legal documents. Furthermore, there is a need to supplement legal provisions concerning direct citizen participation in state governance activities, as prescribed by the Constitution, rather than solely indirect participation as is currently practiced.
- ❖ The implementation and expansion of models and good practices related to budget publicity, as well as enhancement in citizen participation in governance, are essential. However, these efforts should stem from the genuine needs of citizens and the unique characteristics of each locality. It is crucial to avoid mechanically replicating or applying models or good practices in a coercive manner through administrative orders, solely for the purpose of improving indicators to meet higher-level requirements.

SUGGESTIONS FOR THE NEXT STEPS

- ❖ Currently, the legal provisions regarding budget information publicity at all levels are relatively comprehensive. However, the results of this study indicate that the improvement and good practices in budget publicity are primarily limited to the provincial level - mainly due to competitive pressure on indicators. Therefore, it is necessary to extend the practice of budget publicity to lower levels and incorporate it into the assessment and ranking of provinces (specifically at the district level - possibly through random sampling).

- ❖ Based on the comparison between the cases of Dien Bien and Ba Ria – Vung Tau, the research team put forwards the following hypotheses:
 1. Localities, where citizens contribute significantly to the budget, have a higher demand for publicity (the "fiscal responsibility" hypothesis).
 2. The higher the per capita income (a measure of the level of development), the better the ***“transparency culture”***. Or regional factors can lead to the formation of the ***“transparency culture”***.

To validate these hypotheses, further specific studies are needed, based on a more diverse range of real-world situations.



Ireland



THANK YOU

Q&A

Budget Transparency, Accountability and Participation Coalition:

Website: www.ngansachvietnam.net

Fanpage: <https://www.facebook.com/ngansachvietnam/>