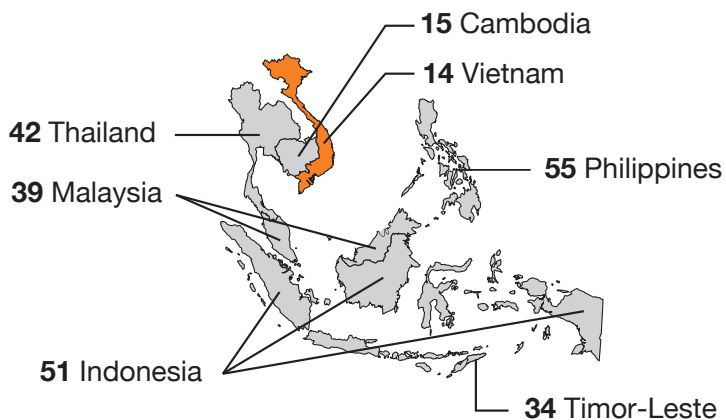
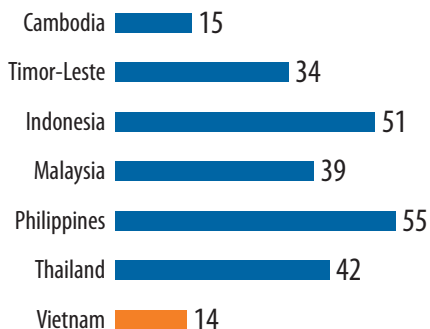


Overall score: 14 (Out of 100) Provides scant information to the public in its budget documents during the year.

How Does Vietnam Compare to Its Neighbors?



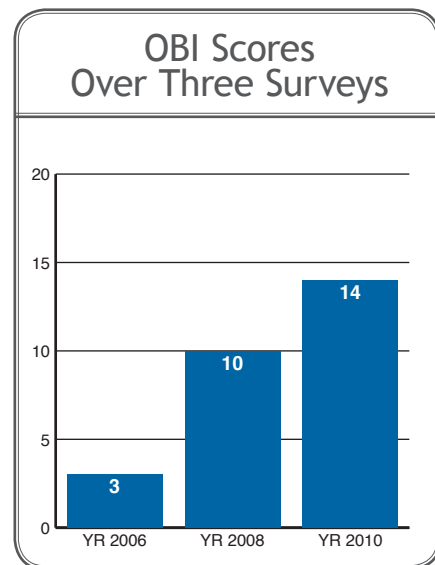
Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

Vietnam's OBI 2010 score is 14 out of 100, which is one third of the average score (42) for the 94 countries surveyed. Vietnam's score is lower than any of the other countries surveyed in the South-East region; the average score for these other countries is 39.

Vietnam's score indicates that the government provides the public with scant information on the central government's budget and financial activities assessed by the Survey. This makes it virtually impossible for citizens to hold the government accountable for its management of the public's money.

Vietnam has made some progress in recent years. Its OBI score increased from 3 in 2006 to 10 in 2008, and then to 14 in 2010. This is largely because the government started publishing In-Year Reports and Audit Reports.



Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Produced, Not Published
Executive's Budget Proposal	E	Produced, Not Published
Enacted Budget	B	Published
Citizens Budget	E	Not Produced
In-Year Reports	A	Published
Mid-Year Review	E	Not Produced
Year-End Report	E	Published
Audit Report	D	Published

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Vietnam, the budget proposal is produced, but it is not made public.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Vietnam produces a Pre-Budget Statement, but it is not made public.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Vietnam publishes a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Vietnam does not produce a Citizens Budget.

In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the enacted budget figures and thus can facilitate adjustments. Vietnam publishes comprehensive In-Year Reports.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not subsequent adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Vietnam does not produce a Mid-Year Review.

OPEN BUDGET SURVEY 2010

Vietnam

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating adjustments for upcoming budget years. Vietnam publishes its Year-End Report but it has serious deficiencies. There is no difference between the enacted and the actual outcomes for expenditures and revenues.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Vietnam publishes an Audit Report, but it is far from comprehensive. For example, there is no report that tracks actions taken by the executive to address findings in the Audit Report.

Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Vietnam's budget process can be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight, and providing greater opportunities for public engagement in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Weak
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Vietnam's legislature is weak because it does not:

1. have sufficient powers to approve any changes made to the budget over the course of the fiscal year;
2. have sufficient time to discuss and approve a budget; and
3. hold open budget discussions at which the public can testify or allow the public to be present during legislative hearings at which the executive testifies on its proposed budget.

According to the Open Budget Survey 2010, budget oversight provided by Vietnam's SAI is inadequate due to the following reasons:

1. it does not have sufficient resources to meaningfully exercise its mandate;
2. it does not have proper channels of communication with the public; and
3. it does not have adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

Recommendations

Vietnam should:

- publish the Executive's Budget Proposal and Pre-Budget Statement on government websites (these documents currently are produced but are used exclusively for internal purposes);
- produce and publish a Citizens Budget and a Mid-Year Review
- strengthen the role of the legislature and the SAI in the budget process; and
- provide opportunities for the public to attend legislative hearings on the budget.