

**MINISTRY OF EDUCATION AND TRAINING MINISTRY OF FINANCE
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**MANAGEMENT OF SBE IN VIENTIANE PROVINCE,
LAO'S PDR**

**Major : Finance – Banking
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SUMMARY OF DOCTORAL THESIS

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INTRODUCTION

1. The necessity of the thesis

The State budget (SB) is the largest centralized monetary fund of the State. The SB is both a tool to ensure resources to maintain the existence and operation of the state apparatus, as well as a tool for the State to regulate the economy and solve social problems. SBs of countries are always limited. Strengthening the effectiveness and efficiency of SB management is one of the urgent topical issues for all countries; especially for local governments at all levels in the context that countries are trying to strengthen the decentralization of budget autonomy for local governments in association with socio-economic development goals. locality.

Currently, the Lao People's Democratic Republic (Laos PDR or Laos) has not really developed its economy, and its revenue into the SB is still very limited; Meanwhile, the State is having to deal with many urgent issues such as the budget for social security, security - defense, development investment (DI) for integration. In that context, Laos has been making efforts to decentralize and increase the autonomy of LBs.

The SB system in Laos includes the central budget (CB) and local budget (LB); in which, LB includes budget of administrative units at all levels with People's Council and People's Committee, including provincial budget and commune budget; Subordinate budgets are an integral part of superior budgets. Therefore, improving the effectiveness and efficiency of budget management in each locality is one of the decisive factors for the effectiveness and efficiency of SB management, especially SB expenditure.

Vientiane is a province in the Northwest region of Laos, with a favorable geographical position - the gateway for socio-economic exchanges in the Northwest region with the capital Vientiane. In recent years, along with the process of public finance reform and strengthening of SB management in Laos, Vientiane province has made many efforts to strengthen local budget expenditure management (LBEM). However, the reality shows that the LBEM of Vientiane province still has certain limitations and shortcomings such as: budget allocation is not closely linked with the socio-economic development plan in a macroeconomic framework. model is forecasted, still stretched, not closely linked to outputs and results; Budget expenditure is still wasteful, lossy, and ineffective and so on.

Stemming from the above theoretical and practical bases, the PhD thesis topic of economics "*State budget expenditure management in Vientiane province, Lao PDR*" has an urgent scientific significance in terms of theory and reality in the current period for Vientiane province in particular and Lao PDR in general.

2. Overview of studies related to the thesis topic

It can be seen that most of the research works related to the management

of SBEs focus on the following two contents: (1) Theoretical research on SBEs and allocation of SBEs ; (2) Theoretical and practical research on SBE management in other countries (on a national scale) and budget expenditure management in some localities (provinces/cities). The research works in the two directions above all go to one goal, which is to set out orientations and solutions to improve the management of SBEs in general and LBEM in particular.

2.1. The international studies on budget expenditure management

The thesis has briefly introduced the research results of 15 international scientific studies published in the form of research reports, articles in international scientific journals, conference papers. international science.

2.2. The studies in Lao PDR on budget expenditure management

The thesis has introduced 4 scientific research works in Laos that are directly related to the thesis topic or related to the research contents of the published thesis, which are doctoral theses and articles. Scientific journals are published by publishers, higher education institutions, and published in scientific journals

2.3. The gaps in the research related to the thesis topic

In general, the research related to the thesis topic has laid the foundation for the theory of SB expenditure, in which the basic is SBE management; Theoretical and practical basis for the analysis and assessment of SBE management.

An overview of foreign studies and studies on SBE management in Lao PDR shows that the research gaps related to the specific thesis topic are as follows:

- Some specific theoretical and practical issues on SBE and management presented by the researches are no longer relevant to current conditions, when the process of reforming public finance and SB management in other countries is not enough. has been and continues to be positive.

- Some theoretical contents about the applicability of output and outcome-based budget expenditure management theories in a developing country like Lao PDR have not been fully analyzed.

- The criteria for assessing the management of SBEs in the locality and the factors affecting the management of SBEs in each locality have different views.

- There has not been any research on LB management in Vientiane province, Lao PDR in recent years.

The overview of studies related to the thesis topic shows that the thesis of the PhD student has the inheritance and development of the results of the published studies; at the same time has its own purpose and scope of research and does not overlap with published studies.

3. Purpose and tasks of the thesis research

3.1. Research purpose

Develop viewpoints and solutions to improve LBEM in Vientiane province in accordance with good practices in the world and the process of public finance reform in Lao PDR.

3.2. Research tasks

Systematize, analyze and clarify some theoretical issues on LB expenditure and management.

Summary of experience in budget expenditure management of some localities in Vietnam and Laos; from which to draw some reference lessons for Vientiane province.

Synthesize, analyze, draw comments and conclusions about the results achieved, limitations and causes leading to limitations of the current situation of LBEM in Vientiane province.

Developing viewpoints and solutions to improve LBEM in Vientiane province with a scientific basis in theory and practice, in line with good practices in the world and the public finance reform process in Lao PDR.

4. Research subjects and scope of doctoral thesis

4.1. *Research subjects of the doctoral thesis*

The research object of the thesis is the theoretical and practical issues of LBEM.

4.2. *Research scope of the doctoral thesis*

Scope of content: Approaching according to the budget management process, the thesis focuses on researching the contents of LBEM including: Making, implementing and finalizing LB expenditures; The problems are intertwined in all stages of the LBEM process, including: organizing the management apparatus and decentralizing the management of LB expenditures, inspecting and inspecting LB expenditures. Approaching according to the economic content of budget expenditures, the thesis focuses on the management of development investment and recurrent expenditures of LBs.

Scope of space and time: Research thesis on LBEM in Vientiane province, current situation in the period 2016 - 2020 and proposed solutions for the period to 2025, vision to 2030. Experience of some localities in Vietnam and Laos studied in the last 15 years.

5. Research questions

To achieve the research objectives, the thesis needs to answer the following questions:

- What are the core theoretical issues on LBEM? What theoretical issues about LBEM need to be clarified, supplemented and further developed as a basis for assessing the current situation of LBEM in Vientiane province?

- What is the status of LBEM in Vientiane province? How was the result achieved? What limitations are there and what are their causes?

- What needs to be done to improve the management of LB expenditures in Vientiane province in the coming time?

6. Research methods

Methodology: The thesis uses *dialectical materialism method* and *historical materialism method* of Marxism-Leninism to clarify the nature of the research problems. In there, dialectical materialist method will interpret the relationship between SBE management with socio-economic development of locality. Historical materialist method will explain the issue of SBE management in Vientiane in the past, in the present and in the future.

Specific Methods: Based on the dialectical materialist method and historical materialism method, the thesis also uses the following specific research methods:

- **Documentary, Statistical, Statistical, Analysis and synthesis and Comparison study method to:** (i) ,Used to collect information through primary documents and secondary documents related to thesis from: doctoral dissertations, master theses, books, newspapers, journals, proceedings of scientific conferences, internet, etc; (ii). Statistics of data, material, events related to research problems. To solve the research problems, we need approach from many different perspectives. Using analysis and synthesis methods to link problems in an event or sequence of different events to clarify the research problems. To Compare and contrast the situation of SBE management between Vientiane with other localities.

Questionnaire survey method: to used to provide additional primary data for the assessment and assessment of the current state of LBEM in Vientiane province.

- Time of investigation: August to December 2020.

- Survey sample size 200 survey subjects, including: i) 50 votes for the financial manager of the People's Committee, Provincial People's Council, Financial Department (AOD), Department of Planning and Investment (FDAD), State Treasury of Vientiane province (STVP) and State inspector of the province, a number of district budget managers such as leaders of the district People's Committee, officials from the finance department and the district State Treasury. This survey data provides insider assessment data on reasonable or unreasonable contents in the mechanism, policy, and norms of LB expenditure in Vientiane province. ii) 150 votes for the subjects who are officials at the budget beneficiary unit, including: Department of Education and Sports; Health service Dept; Department of Agriculture and Forestry; Industrial and commercial facilities; Transportation facilities; Facility construction; Department of Science and Technology; Professional Colleges, Vientiane Provincial Hospital. The data obtained from these questionnaires provide evidence of evaluation of LBEM results from SB users..

- The content of the questionnaire was designed according to the evaluation criteria for LBEM of Vientiane province. The questionnaire system gives points according to the increasing level of the 5-level Likert scale (see Appendix).

- Data processing method: The survey data is processed by Excel software to extract the results according to the requirements of LBEM assessment.

7. Theoretical framework of thesis research

To the objectives, objects and scope of the research content of the thesis; The theoretical framework of the thesis research is detailed as follows:

Theoretical research

Concept, characteristics, classification of LB expenditures
Concept, characteristics, principles and methods of LBEM.

Content of LBEM.
Organization of LBEM apparatus.
Decentralization of LBEM.
Prepare LB expenditures.
Comply with LB expenditure estimates.
Settlement of LB expenditure.
Check and inspect LB expenditures.

Evaluation criteria for LBEM.

Factors affecting LBEM.

Practical research

Situation (status) of LB expenditure in Vientiane province.

Situation of LBEM in Vientiane province
Organization of LBEM apparatus.
Decentralization of LBEM.
Prepare LB expenditures.
Comply with LB expenditure estimates.
Settlement of LB expenditure.
Check and inspect LB expenditures.

Assessment of the current situation of LBEM in Vientiane province:

Result.
Limitation.
Cause.

Experience in managing budget expenditures of some localities.

Perspectives, solutions to improve LBEM in Vientiane province

8. The new contributions of the thesis

8.1. Theoretically

The thesis has systematized and analyzed, contributing to enriching some basic theoretical issues about SBE and SBE management.

The thesis has studied the experiences of some localities in the management of SBEs in Lao PDR and Vietnam. From there, draw 04 lessons learned on management of SBEs for Vientiane province.

8.2. Practically

The thesis analyzes and comprehensively evaluates the current state of SBE management in Vientiane province in the 2016-2020 period.

The thesis has proposed 2 groups of large solutions with many specific solutions and 2 recommendations to improve the management of State budget

expenditures (SBEs) in Vientiane province by 2025, with a vision to 2030, in which, notably: solutions: Improve the budget management capacity of the apparatus and decentralize management; review and perfect the regimes, policies and norms in the making of expenditure estimates and the observance of SBEs ; forming a multi-year economic policy framework and perfecting the socio-economic development strategy as a basis for formulating long-term budget estimates; allocate budget in order of priority in accordance with planning objectives, socio-economic development plans of the province; expand the autonomy of SB beneficiaries; improve the results of inspection, inspection, management and use of the provincial budget.

9. The thesis structure

In the introduction, the thesis presented the significance of the research, research objectives and research tasks, research object and research scope, research methods, key research questions and the new contributions of the thesis. The main contents of the thesis are expressed in 3 chapters, namely:

Chapter 1: Basic theory and experience on LBEM.

Chapter 2: Current status of LBEM in Vientiane province, Lao PDR.

Chapter 3: Improving the management of LB expenditure in Vientiane province, Lao PDR.

CHAPTER 1

BASIC THEORY AND EXPERIENCE ON LBEM

1.1. BASIC THEORY ON LB SPECIFICATION

1.1.1. The concept of SBE and LB

State budget expenditure (SBE) is the process of allocating and using financial resources focused on the SB to cover expenses for maintaining the existence and operation of the state apparatus and performing the functions and tasks of the State. suitable for each stage of socio-economic development.

The SB system of the countries is organized in accordance with the organization of the state government system at all levels; including CB and LB. LB is the budget of all levels of state government in the locality.

LB expenditure is the process of allocating and using financial resources to focus on LBs to cover the expenditure needs to maintain the existence and operation of the government apparatus and perform the functions and tasks of the government. localities according to administrative units suitable to each stage of socio-economic development.

1.1.2. Characteristics of LB spending

- LB expenditure is the national public expenditure. The State and local authorities represent the people to make state and LB expenditures to serve the common interests of the people.

- LB expenditures have a large and wide scope, diversity and complexity, associated with the state apparatus and the functions and tasks of the local

government in each period.

- LB expenditures are not directly refunded.
- The effectiveness of LB expenditure is the macro-economic efficiency.

1.1.3. Classification of LB expenditures

1.1.3.1. Classification of LB expenditures by function

1.1.3.2. Classification of LB expenditures according to economic content

1.2. BASIC THEORY ON LB EXPENSE MANAGEMENT

1.2.1. Concept and characteristics of LBEM

1.2.1.1. Concept

LBEM is the management of all expenditures of the local government which are estimated and implemented within a certain period of time decided by the competent local state agency to ensure the performance of its functions, the duty of local government.

1.2.1.2. Characteristics of LBEM

- LBEM has a wide, diverse and complexity.
- LBEM must comply with the law both from the perspective of state management and also from the perspective of professional management, legality and administration.

1.2.2. Principles of LBEM

1.2.2.1. Management by estimation

LB expenditures shall be made only according to the budget expenditure estimates assigned by competent authorities.

1.2.2.2. In accordance with the regime, standards, and norms of budget expenditure

The norm of SBE in general and LB in particular is the budget level determined for a target unit for calculating the budget expenditure norm.

1.2.2.3. Year

LBs must be made, implemented and finalized according to the budget year

1.2.2.4. Openness and transparent

Publicity and transparency in LBEM in order to strengthen accountability, internal supervision and external supervision for the implementation of budget expenditure tasks of the government at all levels and the budgeting units budget.

1.2.2.5. Management by results

Managing budget expenditures according to results in order to achieve the goals of allocation efficiency and operational efficiency in the implementation of LB expenditure tasks.

1.2.3. Methods of managing LB expenditures

1.2.3.1. Management of budget expenditure according to input

Input-based budget expenditure management is a management method that focuses on the costs of inputs in the production and supply process of

goods and services according to the regimes, standards, and norms for using the budget. regulated by the competent state agency.

1.2.3.2. Result-based budget management

Result-based budget expenditure management is a management approach that focuses on the results of budget expenditures. Therefore, the management of budget expenditure according to the results has different levels.

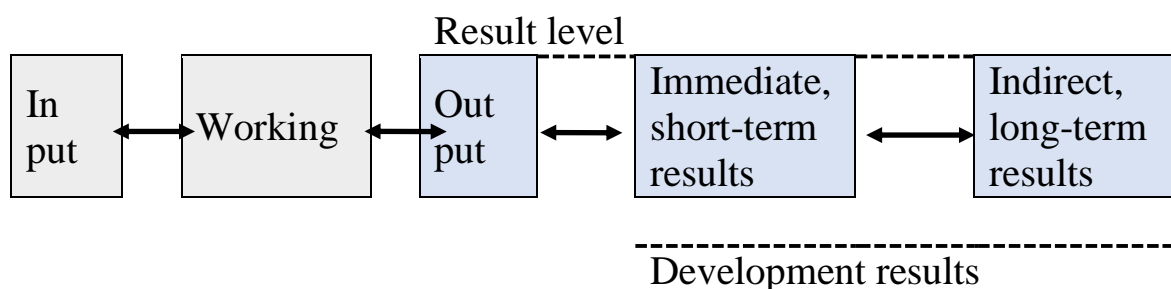


Figure 1.1. The resulting logic framework develops

Source: Bui Tien Hanh, 2018 [11]

1.2.4. Content of LBEM

1.2.4.1. Organizational apparatus and decentralization of LBEM

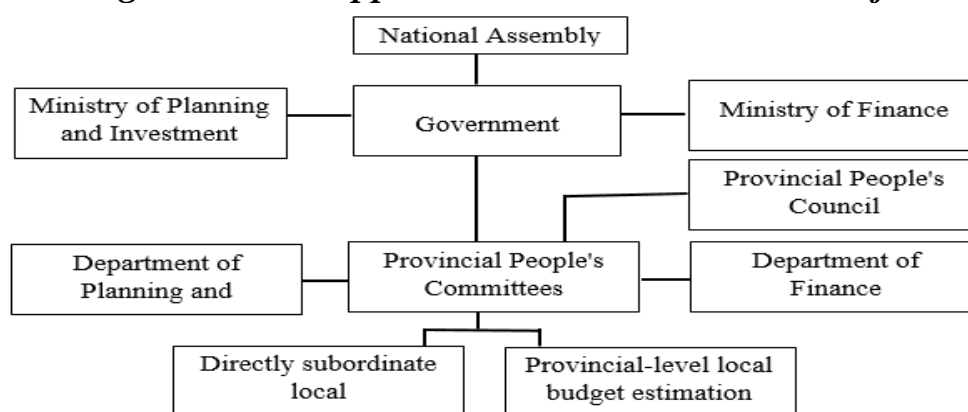


Figure 1.2. Organization chart of LBEM apparatus

LBs have a relatively independent position in all three stages of the SB cycle, but are under the unified direction and management of the Government. The decentralization of expenditure management between the Government and the provincial authorities is regulated by the SB Law and Government Decrees. CB can supplement LB.

1.2.4.2. Prepare LB expenditure estimates

Making LB expenditure estimates is the process by which the local government and LB estimation units determine the necessary expenses in accordance with the LB's capacity to ensure the implementation of the functions and tasks of the local government every year.

1.2.4.3. Organizing the implementation of LB expenditures

The purpose of managing the observance of LB expenditure estimates is to ensure adequate and timely funding for the state apparatus to perform well its

assigned functions and tasks in accordance with the budget expenditure estimates. policies and regimes, policies, standards and norms of budget expenditure

1.2.4.4. Accounting and settlement of LB expenditures

Accounting and settlement of LBs must comply with the provisions of the SB Law and guiding documents on the content, form and form of the settlement report.

1.2.4.5. Control, check, inspect and audit LB expenditures

1.2.5. Criteria for evaluating LBEM

1.2.5.1. Quantitative Criteria

Firstly, the reliability of LB spending.

The reliability of LBs reflects the difference between the total and actual structure of budget expenditures compared with the original budget estimate, excluding additional or adjusted estimates for the year.

Secondly, comply with the budget process.

- Percentage of units that make timely estimates out of the total number of budgeting units.

- The ratio of the number of units that finalize the budget expenditures with the correct content and time limit to the total number of units of the estimate.

Thirdly, violating the regime, standards, norms, causing budget loss.

- Percentage of units found to spend improperly on the total number of units inspected and audited for recurrent expenditures and development investment expenditures.

- Percentage of units found to spend improperly on the total number of units inspected, inspected and audited for recurrent expenditures and development investment expenditures.

- Number of violations causing budget loss in the year of recurrent expenditure and development investment

1.2.5.2. Qualitative Criterias

- Satisfaction of people enjoying LB spending.

- Publicity and transparency of LBEM.

- Accountability to people for LB spending.

1.2.6. Factors affecting LBEM

1.2.6.1. The objective factors

- Natural disasters, epidemics and other risks.

- Legal system and mechanisms and policies for LBEM.

- Limited LB capacity and public financial resources.

1.2.6.2. The subjective factor

- Perspectives of local leaders on the role of LBEM.

- Management capacity of leaders and professional qualifications of staff in LBEM apparatus.

- Organization of LBEM apparatus.
- The coordination between all levels, branches and units in the management and administration of LB expenditures.
- LB management information system.
- LBEM technology.

1.3. EXPERIENCE MANAGEMENT OF BUDGET EXPENDITURES OF SOME LOCALS IN VIETNAM AND IN LAOS

The thesis introduces the experience of budget expenditure management of some localities in Vietnam and Laos (Ha Tinh and Quang Ninh provinces of Vietnam and Champasack province of Laos). From there, draw 4 lessons for Vientiane province. That is:

- Efforts should be made to control budget expenditures.
- Strengthening reform of LBEM.
- Strengthen inspection, supervision and evaluation of LBEM process.
- Completing LBEM mechanisms.

CONCLUSION CHAPTER 1

Chapter 1 of the thesis has focused on solving some of the following basic problems:

Firstly, systematize and analyze to enrich and clarify some basic theoretical issues about LB expenditure such as concept, characteristics and classification of LB expenditure..

Secondly, systematization and analysis contribute to enriching and clarifying some basic theoretical issues about LBEM such as concepts, characteristics, principles, methods, content, and evaluation criteria. prices and factors affecting LBEM. SBEs in general and LB expenditures are very diverse and complex, accordingly the management of LB expenditures is also very diverse and complex. However, the goal of SB management in general and LBEM is to ensure fiscal discipline, allocation efficiency and operational efficiency. With management goals and the diverse and complex nature of LBEM, it is required that LBEM be flexible in applying traditional management methods based on inputs or management methods according to results, which must be suitable for LB expenditures. suitable for each spending content and specific local conditions. Regular and periodical assessment of LBEM is the best way for local governments and budget users to identify the achieved results and areas for further improvement to achieve the objectives. LBEM goals.

Thirdly, summarizing and studying the experience of budget expenditure management in some localities of Vietnam as well as in Lao PDR, the thesis draws some valuable reference lessons for improving the management of LB expenditures in Vientiane province; in which it is necessary to identify priority targets in LB expenditures, manage SBEs associated with state administrative reform, promote accountability of heads of state agencies in LBEM, increase strengthening inspection and supervision, contributing to well implementing the

LBEM objectives, which is to strengthen fiscal discipline and discipline, allocation efficiency and operational efficiency.

CHAPTER 2

CURRENT SITUATION OF LBEM PERFECT MEMBERSHIP, LAOS PDR

2.1. NATURAL CONDITIONS, SITUATION OF ECONOMIC DEVELOPMENT - SOCIAL DEVELOPMENT OF THE VIENTIANE PROVINCE

2.1.1. Natural condition

Vientiane Province, one of 18 provinces/cities in Laos, has an area of 15,927 km² with 11 districts (Districts of Phon Hong, Vieng Kham, Keo U Dom, Thu La Khom, Hin Hop, Vang Vieng, Ka Si, Phuong, Met, etc.) Min, Xa Na Kham) in the Northwest region of Laos. It borders Xay Som Bun province to the northeast, Bo Li Kham Xay province to the East, the capital Vientiane and Thailand to the south, and Xay Nha Bu Li province to the west.

2.1.2. Situation of socio-economic development in Vientiane province

In recent years, in the face of unfavorable domestic and international circumstances, especially in the last months of 2019 and 2020, the COVID-19 pandemic has impacted and affected the global economy. bridges, including Lao PDR and Vientiane Province. However, the process of economic management and development in Vientiane has achieved important achievements in a number of key economic fields, creating momentum for economic growth in the later period, contributing to improving the living standards of the people. people, gradually integrating into the regional and world economy. During the 2016-2020 period, Vientiane province has achieved most of its economic development goals. Detail:

- In the 2016-2020 period, the average annual GDP growth rate will reach over 9.04%/5 years. The average income per capita is 15.55 million kip/person/year. Average income growth rate per person reaches 7.8%/year

The socio-cultural indicators have been given special attention by the Vientiane provincial government, which has achieved some great achievements. Results through some key social indicators in the whole province of Vientiane are summarized in the table below.

Unit: %

Order	Indicators	Year				
		2016	2017	2018	2019	2020
1	Percentage of workers with vocational training	42,5	48,0	51,0	54,0	57,0
2	Decreasing the annual birth rate	0,23	0,2	0,2	0,2	0,2
3	The rate of poor households	8,3	6,72	5,33	5,31	4,3
4	New job creation rate	30,1	30,8	30,5	30,5	31,0
5	Percentage of children under 5 years of age suffering from malnutrition	15,0	14,9	14,7	14,3	13,1

Order	Indicators	Year				
		2016	2017	2018	2019	2020
6	Percentage of the entire population participating in social insurance contributions	39,0	40,0	48,0	60,0	67,0
7	Percentage of people who have access to clean drinking water	85,0	85,5	90,4	92,0	93,0
8	Annual household garbage collection rate	83,0	83,0	85,0	87,0	90,0

Source: Vientiane Provincial Statistical Office - Statistics of socio-economic indicators in 2016, 2017, 2018, 2019 and 2020

The above characteristics pose opportunities and challenges for the province's SBE management task. Opportunity because Vientiane province still has a lot of potential for economic development, if the government is active, the province's economy will be able to develop well. The challenge is that due to the low level of development, the main economic sector is still agriculture, which is greatly affected by the export of agricultural products with precarious prices, so the local government has low income, the province's budget depends on large in balance from the central government

2.2. THE CURRENT SITUATION OF LB EXPLANATION IN THE PROVINCIAL PERIOD 2016 - 2020

2.2.1. Budget expenditure management apparatus and budget decentralization in Vientiane province

The provincial budget has a relatively independent position in all three stages of the budget cycle, but is under the unified direction and management of the Central Government and the State of Laos. The decentralization of expenditure management between the Government and the provincial authorities is regulated by the Law on the SB of Laos and the Decrees of the Government. The CB can supplement the provincial budget, but the provincial budget cannot be spent on the tasks of the district budget.

The budget expenditure management apparatus of Vientiane province is shown in the diagram below:

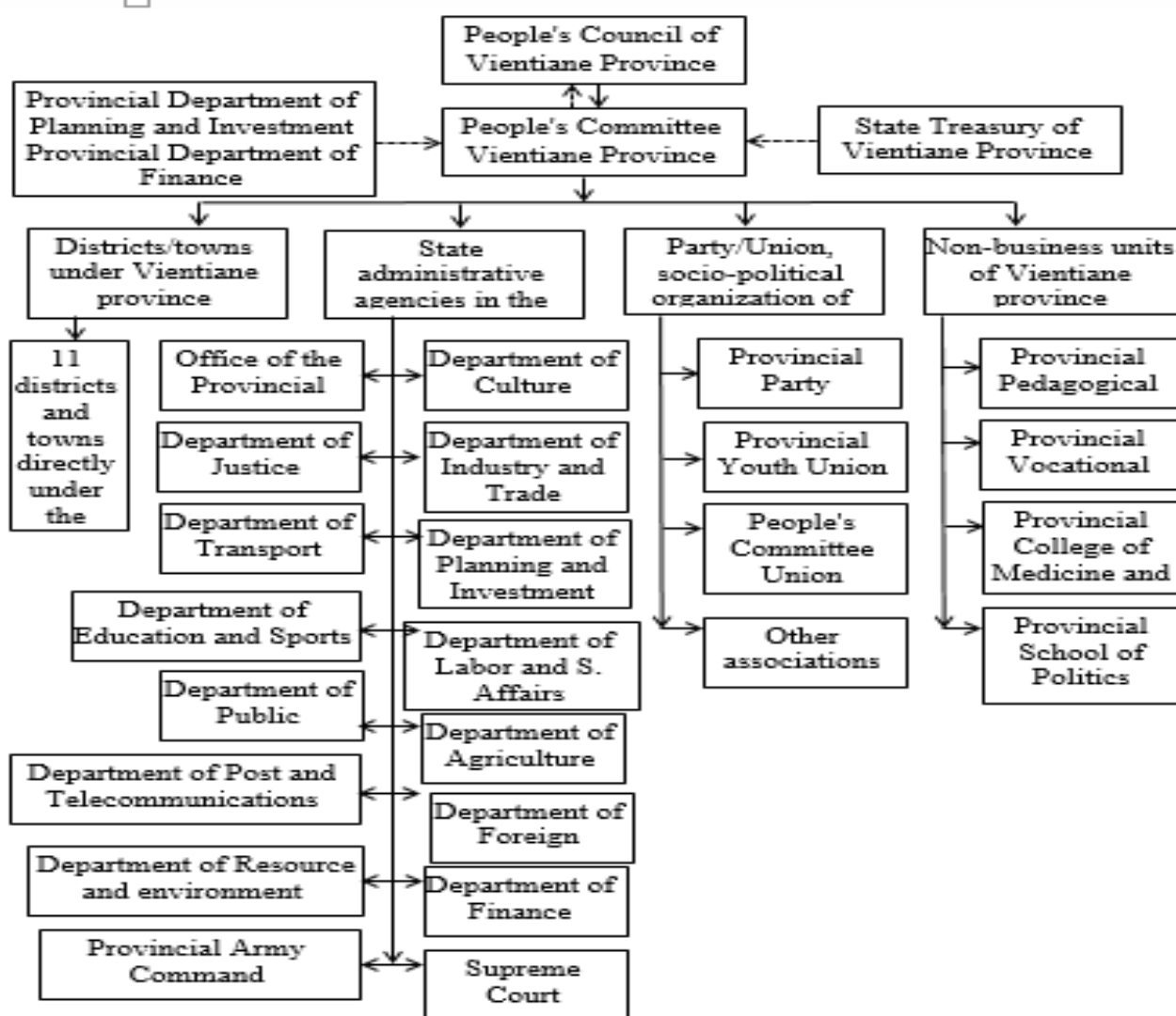


Figure 2.1. SB management apparatus of the province

Legend:

↓ : Relations of allocation, budget allocation

← and ↑ : Relationship between reports on budget preparation, execution and settlement

→ and ← : Specific agencies in the budget use system

From the above diagram, the thesis has clearly analyzed the authority, functions and tasks of the agencies in the budget management apparatus of Vientiane province and the relationship on budget management between those agencies.

2.2.2. Situation of budget expenditure management in Vientiane province

2.2.2.1. Situation of cost estimation work in Vientiane province

a) Current status of recurrent expenditure estimation in Vientiane province

The thesis has described the actual process of estimating recurrent expenditure in Vientiane province. Accordingly, in the past years, the process of making SBE estimates in Vientiane province has fully complied with standards and norms, based on the regulations of the Ministry of Finance of

Laos, of the People's Committee of Vientiane province, documents A guide to making annual LB expenditure estimates. As follows:

(1) Based on the central inspection number assigned and the guiding Circular of the Ministry of Finance, the People's Committee of Vientiane province issues a directive on making the budget of the SB and assigning the budget check number to the subordinates..

(2) Estimating units make estimates and send them to their immediate superiors according to vertical lines or local government levels. From there, the districts, departments and branches of the province summarize and send to the Department of Finance.

(3) The Department of Finance cooperates with the Department of Planning and Investment of Vientiane province to review the estimates of the units under the province.

(4) The Department of Finance shall coordinate with the Department of Planning and Investment in synthesizing and making estimates of the province's SB commuting according to the domains and spending tasks assigned to them, reporting to the Provincial People's Committee and submitting to the Provincial People's Council for consideration and approval.

On the basis of summarizing data, the thesis analyzes the actual situation of making cost estimates of the recurrent in Vientiane province in terms of: trend of fluctuations, practical relevance, actual structure of budgets...

b) The current situation of estimating development investment expenditures

The work of estimating development investment expenditures is carried out annually, usually, annually implementing the Resolution of the Provincial People's Council on the allocation of budget expenditures and the arrangement of the annual development investment capital plan. Pursuant to the Resolution of the Provincial People's Council, the People's Committee of Vientiane Province has issued the Decisions assigning annual investment capital plan targets to affiliated units.

From the data on estimating development investment expenditures, the thesis has analyzed and evaluated the work of estimating development investment expenditures of Vientiane province as follows:

- Except for 2019, due to the situation of the COVID-19 epidemic entering Laos, the development investment estimates should decrease, in the remaining years, the next year's targets are usually higher than the previous year, showing that the Provincial People's Committee has focused on only lead the implementation of the annual development investment plan.

- The state economic sector accounts for a relatively high proportion and increases year by year (except for 2019), among the sources of capital mobilized from the state economic sector, the most prominent is the mobilization from the

SB.

In the planning of expenditures, capital construction investment has been allocated to focus on key projects.

2.2.2.2. Actual situation of implementing budget expenditure estimates of Vientiane province for the period 2016 - 2020

a) Actual status of compliance with recurrent expenditure estimates

In the 5 years 2016 - 2020, the implementation of recurrent has closely followed the estimated number. Units implementing the autonomy regime have implemented measures to practice thrift, fight waste in the use of funds, management and use of assets such as: Promulgating Regulations on management and use of automobiles. rent, allocation norms and use of stationery...

However, the actual implementation of recurrent expenditure estimates also has disadvantages: the difference between the estimate and implementation is still high. The difference between the SB recurrent expenditure estimate and the implementation of the regular SBE in Vientiane province for the period 2016 - 2020 is clearly shown in the figure below..

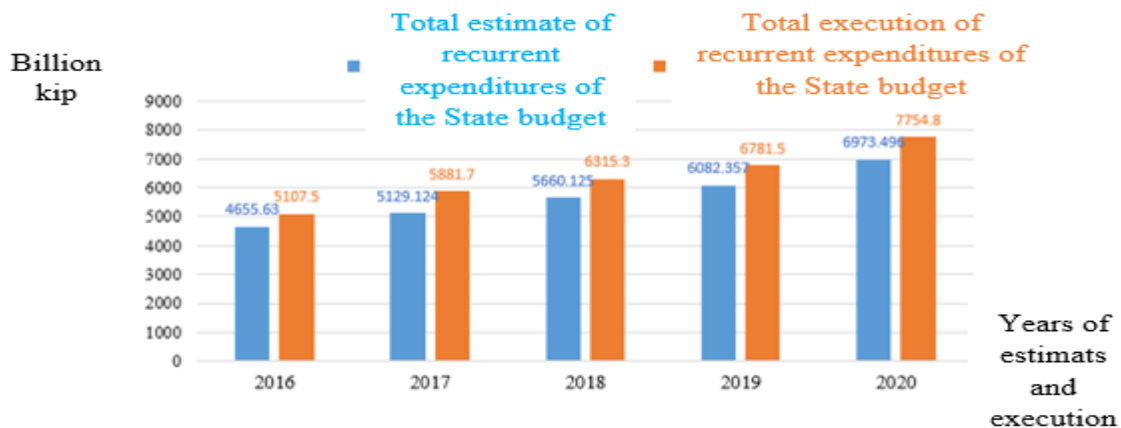


Figure 2.2. Total estimate and implementation of recurrent expenditures of the SB for the period 2016 - 2020

The recurrent expenditure in the period 2016 - 2020 of Vientiane province tends to increase gradually over the years, from 2016 to 2020 all of them exceed the assigned estimates. healthcare, social security, and environment.

After analyzing the overall situation of regular expenditure compliance, the thesis also conducts specific analysis and evaluation of recurrent expenditure compliance for a number of specific areas such as: educational non-business expenses, sports non-business expenses. sports, health care, scientific research, economic, administrative management. In each of these areas, the thesis clearly assesses the actual state of budget expenditure compliance and points out the main achieved results and limitations and inadequacies.

b) Actual situation of compliance with development investment spending

Firstly, the organization shall comply with the investment capital plan

and the development investment expenditure estimates.

Summary of results of implementation of the development investment capital plan of Vientiane province for the period of 2016 - 2020 is shown in Figure 2.4 below:

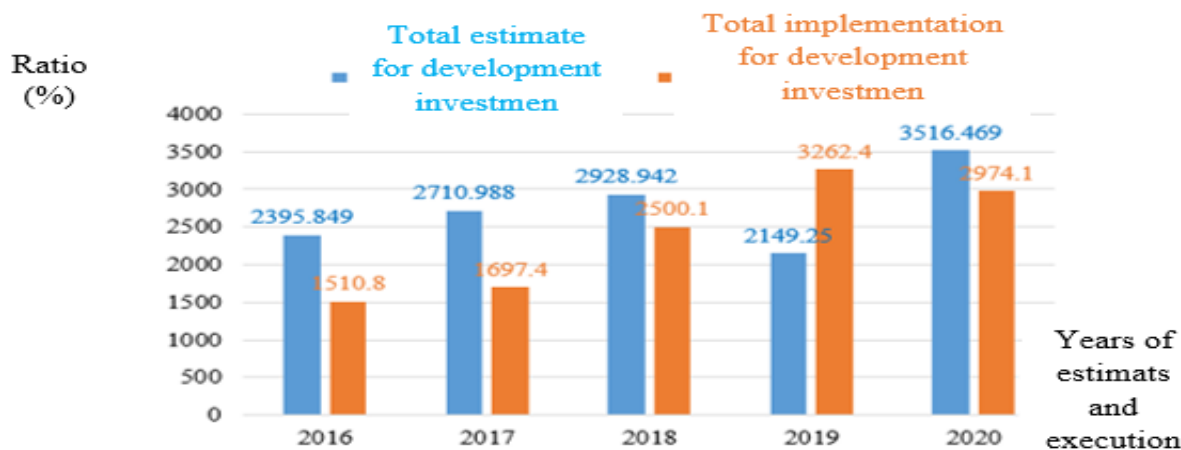


Figure 2.4. Total estimate and implementation of development investment spending period 2016 - 2020

Figure 2.4 shows that, except for 2019, Vientiane province's implementation of development investment spending in the 2016-2020 period tended to increase gradually over the years, from 2016 to 2020, implementation of development investment spending was lower than expected. Particularly in 2019 the large expenditures exceeding the estimate were capital expenditures on construction of medical facilities (medical facilities) to serve the collection and treatment of COVID-19 patients in the whole province of Vientiane.

Secondly, adjust the annual investment capital plan.

On the basis of the data table on adjustment of investment capital plan for the period 2016 - 2020, the thesis has analyzed and assessed the general adjustment trend and factors affecting the adjustment of the annual investment capital plan. Accordingly, the thesis assesses: Most of the investment capital in the fields serving development investment expenditure is adjusted up compared to the plan assigned at the beginning of the year. The above expenditures are usually adjusted in the fourth quarter of each year, when excess capital (for LB balance) or capital construction investment works is adjusted compared with the estimate due to price slippage or increase in items.... The adjustment of investment capital amounts to increase (+), decrease (-) compared with the plan shows that the role of local leaders in managing the provincial investment capital plan is consistent with the actual situation if the resources are not available. excess capital or adjustment compared to the estimate due to a number of objective reasons such as price slippage, item increase.

2.2.2.3. Actual situation of finalization of budget expenditures of Vientiane province in the period of 2016 – 2020

a) Status of settlement of recurrent expenses

Basically, in the period 2016 - 2020, Vientiane province has complied with the Government's regulations on the order and procedures for finalization of recurrent expenditures. The annual settlement report fully and clearly reflects recurrent expenditure activities and is prepared from the grassroots to the provincial financial management agencies, ensuring the principle of balancing LB revenue and expenditure and annually budget year.

b) Status of settlement of investment and development expenditures

The capital construction investment capital under the budget of Vientiane province in the five years from 2016 to 2020 has been disbursed by the State Treasury with a scale of 8,917 billion kip out of the total allocated planned capital of 9,489 billion kip, corresponding to the average disbursement rate. reached 94.2%. Disbursement rate increased over the years and accounted for a relatively high rate, of which in 2016 reached 92.8%, in 2018 reached 93.5%, in 2019 reached 94.4%.

2.2.2.4. Status of inspection, inspection and audit of SBEs in Vientiane province

a) Actual status of inspection, inspection and handling of violations in recurrent expenditures of the SB in Vientiane province

Inspection activities in the period 2016 - 2020 are carried out by Vientiane province with a focus, focus, and close to the management requirements of leaders at all levels and the direction of the Government Inspector.

b) Current status of inspection, audit, inspection and handling of violations in investment and development expenditures of the SB in Vientiane province

The province of Vientiane controls the payment of the annual plan capital to ensure that it complies with the prescribed regime, professional process and time, and ensures the correct capital source recorded in the annual plan.

2.3. GENERAL ASSESSMENT ON LB MANAGEMENT OF VENGHERENCE PROVINCE 2016 -2020

2.3.1. Positive results

The thesis has evaluated in general the successes in LBEM in Vientiane province on all contents of budget expenditure management. Among them, the following comments stand out: Decentralization of LB management in the province has increased the proactiveness of local authorities of the province and district more than before; has decentralized more to Vientiane province on budget expenditure tasks. District budget revenue collection has gradually increased over the years; norms, regimes and policies of SBE have been more suitable to the needs and characteristics of the locality; The province's norm of

regular budget allocation for the 2016-2020 period has basically been consistent with the actual situation of SB revenue, and is more closely aligned with the socio-economic development plan; the quality of estimates has been improved a step, the disbursement progress of capital construction investment has been adjusted more reasonably in the province; In the process of organizing and implementing REFERENCE EXPENDITURES estimates at all levels, the unit has made many positive changes, sticking to the standard of estimation and the ability to balance the budget...

2.3.2. Limitations in the management of LB expenditure in Vientiane province

The thesis has analyzed the main limitations in the management of budget expenditure in Vientiane province in all aspects of budget expenditure management. Among them, the following limitations stand out:

2.3.2.1. About decentralization of budget expenditure management

Decentralization of budget expenditure tasks is not consistent with the socio-economic management decentralization.

2.3.2.2. About budgeting

Firstly, make a budget recurrent expenditure estimate.

Estimating recurrent expenditures of Vientiane province's budget, some norms are not really reasonable. The system of budget allocation norms for the 2016-2020 period does not cover all expenditure fields, some expenditure norms are still narrow, not ensuring enough funds for the budget beneficiary to successfully complete the task.

Secondly, make a budget development investment expenditure estimate.

Making a budget development investment expenditure estimate or a budget capital construction investment plan, there are still some mistakes that make the investment results not as expected.

2.3.2.3. About the implementation of budget expenditure estimates

The management and use of the SB also leads to waste, using backup sources, revenue increase sources, salary reform sources, targeted supplementary sources to supplement recurrent expenditures in contravention of regulations and improper spending regulations. levels, standards, norms, have not fulfilled tax payment obligations as prescribed

2.3.2.4. About the settlement of budget expenditures

The financial authority in appraising the final settlement of the estimating unit is still relatively slow, leading to the situation that the final settlement report must be submitted to the Ministry of Finance according to the time prescribed by the SB Law before the final settlement is fully appraised. set of cost estimate units level I

2.3.2.5. Regarding control, inspection and audit of SBE in Vientiane province

The process of management and control of REFERENCES is not tight

enough, so there is still a situation of loss and waste of LB capital, especially expenses for repairing infrastructure works. The situation of spending wrongly with regimes and policies has not ended yet.

The monitoring and evaluation of investment capital use is not thorough, leading to low quality of some works.

CONCLUSION CHAPTER 2

With the goal of analyzing the current situation of LBEM in Vientiane province in order to find out the limitations and causes of limitations in the management of LB expenditures in Vientiane province, the study has achieved the following results.

(1) Overview of the process of formation and development of Vientiane province.

(2) Overview of socio-economic indicators, budget revenue and expenditure situation of Vientiane province in the period of 2016 - 2020.

(3) Analyze the current state of SBE management in Vientiane province in the period 2016 - 2020 on two contents: (i) Budget expenditure management apparatus and budget decentralization; and (ii) LBEM.

(4) The results of the investigation and survey as a basis and a scientific basis for assessing the current state of LBEM, limitations and reasons have increased the persuasiveness of the comments. These research results serve as a scientific basis and practical arguments to propose solutions to improve LBEM in Vientiane province in the period of 2025, with a vision to 2030.

CHAPTER 3

IMPROVING LOCAL BUDGET MANAGEMENT OF THE PROVINCIAL OF THE PERIOD OF LAOS

3.1. ORIENTATION FOR SOCIAL ECONOMIC DEVELOPMENT OF THE PERFECT PERIOD UP TO 2025, VISION 2030

- GDP growth will reach over 10% by 2030, striving to increase the average income of 9,500 US dollars/person/year to 6 times higher than the current one. Improve efficiency and competitiveness of products, businesses, and economies.

- Economic development must be synchronized with social development programs and policies, gradually raising people's knowledge, reducing unemployment, improving living standards, and continuously increasing people's income.

Achieve GDP growth at 8% in the period 2021 - 2025, averaging 3,500 US dollars/person/year; in the period of 2025 - 2030, strive to reach 6,507 USD/person/year. That means the average GDP growth during the period 2016 - 2030 is 8.5% - 9%. This will result in GDP growth of 27,382,485 billion kip in 2025 - 2030. By 2030, per capita income will reach 52 million kip.

- Continue to significantly diversify the economy by increasing industrial focus, particularly in mining, metalworking, and value-added downline

manufacturing, while focusing on improving productivity agriculture and aquaculture. The GDP structure of the economy will reach: Agriculture 40%, industry 25%, services 35% by 2020. Agriculture 37%, industry 28%, services 35% by 2025. 33%, industry 30%, service 37% by 2030.

- Labor shift from low-productivity sectors such as agriculture to more productive areas such as industry. The employment structure will reach the following structure: agriculture 50.38%, industry 18.62%, services 31% in 2021 - 2025. By 2030, agriculture 48%, industry 21%, and services 31% in. Improve labor productivity at 5% a year in agriculture, from 15 million kip in the 2016-2020 period to 25 million kip in 2020-2025. By 2030, it will reach 35 million kip. Through ongoing efforts, on training farmers to diversify products and increase participation of the private sector.

- Ensure the development of key industries according to the national master plan to create 1,500 jobs per year in the period 2021 - 2025. In the period 2026 -2030 create 2,000 jobs per year, ensure the labor force trained workers to meet the requirements of the labor market.

3.2. THE OBJECTIVE, VIEWPOINTS AND REQUIREMENTS FOR FINISHING MANAGEMENT OF LB EXPENDITURES UP TO 2025, VISION 2030

3.2.1. The objection of improving the management of LB expenditure in Vientiane province

Firstly, the first object when perfecting the management of SBEs in the province of Vientiane in the coming time is to overcome the current shortcomings and step by step towards the management of financial resources according to modern standards.

Secondly, the management of SBEs must aim to establish and maintain tight fiscal discipline, because fiscal discipline has an essential meaning in complying with the Budget Law and ensuring all housing management activities. All countries are based on the correct implementation of the law with the socialist rule of law.

Thirdly, the management of SBEs must be directed towards allocating limited resources that have been identified for socio-economic development priorities in the locality, fundamentally overcoming the spread and inconsistent budget allocation among different sectors. five.

Fourthly, the management of SBEs must focus on improving the efficiency of budget use.

Fifthly, the management of SBEs must aim at the local socio-economic development goals.

3.2.2. Viewpoints on improving the management of LB expenditure in Vientiane province

Firstly, to improve the management of SBEs on the basis of building mechanisms and processes for management, control and payment of SBEs of

Vientiane province in accordance with international practices.

Secondly, step by step modernize SBE management in the direction of expenditure management according to outputs, tasks and budget programs.

Thirdly, carry out synchronous reform of administrative procedures in the management of SBEs with the process of reforming the national administration.

Fourthly, the improvement of SBE management should be done on the basis of a professional and modern public agency.

Fifthly, consider people as the central factor of the process of perfecting the management of SBEs, because people are the decisive factor for all success and failure of all management activities, including SBE management in both central and local levels.

3.3. IMPROVING SOLUTIONS FOR LB MANAGEMENT OF LB EXPENDITURES, LAOS PDR

3.3.1. Group of institutional, mechanism and policy solutions

3.3.1.1. Reviewing and perfecting regimes, policies, and budget spending norms

Firstly, for norms promulgated by the Central Government, it is necessary to actively review and recommend the Central Government to change policies and norms that are no longer appropriate.

Secondly, within the jurisdiction of Vientiane province, the Department of Finance needs to advise the People's Committee and the Provincial People's Council to adjust the LB expenditure regimes, policies and norms to suit the specific conditions of the province.

Thirdly, further promote the implementation of the mechanism of autonomy and self-responsibility for state agencies, public non-business units, and socialize public service provision.

3.3.1.2. Forming a multi-year economic policy framework and perfecting the socio-economic development strategy as a basis for building long-term budget estimates

- It is necessary to continue strictly implementing financial and budgetary discipline, minimizing the issuance of new policies when there is no guaranteed budget source.

- Expenditure of the SB thriftily and efficiently, according to the assigned estimates. Strictly control loans to finance development investment by issuing bonds.

- Well implement the provisions of the Law on Public Investment, based on the ability to balance the capital of the provincial budget, develop a medium-term investment plan. Allocating resources for investment must comply with the plan.

3.3.2. Group of solutions on organization, implementation of institutions, mechanisms and policies

3.3.2.1. Improve the budget management capacity of the apparatus and decentralize management

Firstly, it is necessary to continue to study, amend and supplement local regulations and regulations to clearly define the functions, tasks, competence and coordination regulations of the agencies under the province in accordance with the actual situation. management of SBEs in the locality.

Secondly, improve the provincial People's Committee's capacity to appraise budget estimates and manage the budget, especially in identifying prioritized budget expenditure items and strictly enforcing budget discipline.

Thirdly, improve forecasting capacity as a basis to improve the quality of budget expenditure estimates of the Department of Finance and the Department of Planning and Investment of Vientiane province.

Fourthly, the province should study and propose to the Central Government to allow the pilot to merge the Department of Finance and the Department of Planning and Investment of Vientiane province into a unit under one department.

Fifthly, it is necessary to ensure that the coordination activities between the management units and the beneficiaries of the budget need to be in a substantive direction, especially in the process of discussing and agreeing to make the estimate.

Sixthly, strengthen coordination between the Department of Finance, Department of Planning and Investment (when the pilot merging of these two departments has not yet been carried out), the State Inspectorate of Laos, the State Treasury and the State Audit of Laos to ensure the SBEs are used for the right purposes, under substantive supervision and capable of clearly defining responsibilities for units and individuals when losses, waste, or embezzlement of LBs occur.

Seventhly, review and standardize specialized standards for budget management cadres and civil servants not only in LB management agencies, but also in budget beneficiary agencies.

Eighthly, further improve the duties, powers, decision-making authority and personal responsibility of the head in the management, administration and use of the SB.

Ninthly, implement many solutions to improve the management capacity of leaders and train staff of the SB management agency of Vientiane province in the current period (2020 - 2025).

3.3.2.2. Allocate budget in order of priority in line with the province's socio-economic development planning objectives and plans

Prioritize development investment capital allocation for speeding up, completing programs and projects important to the province, urgent works that are in progress, giving priority to reciprocal capital for ODA projects and projects. public private partner

3.3.2.3. Expanding the autonomy of SB beneficiaries

- Classifying public non-business units according to different levels of financial autonomy, applying a performance-based salary payment mechanism. For units that self-finance a part of recurrent expenditure, pay salaries according to ranks, grades, positions and allowances according to current regulations; for the increase in revenue and savings, it is possible to set aside funds to supplement income and develop non-business activities

3.3.2.4. Compliance with regular budget spending

One, about the career of Education and Sports. Vientiane Province needs to focus on renovating the organization that runs the local recurrent budget for the cause of Education and Sports to overcome existing limitations and improve the efficiency of using recurrent budget in the field of education and sports. this

Second, about medical careers. Funds allocated to hospitals must be converted to a support mechanism for service users through the health insurance fund..

Third, about state administrative expenditure. Vientiane province must actively reduce the management apparatus, streamline the payroll to improve efficiency, reduce costs, practice savings in administrative expenses.

Fourth, on scientific - technological and environmental research. Promoting research and development, applying technology will be a condition to help Vientiane develop quickly, increase revenue, and reduce pressure on budget spending.

Fifth, on strengthening control over the other career spending process. In order to improve efficiency and reduce the loss and waste of financial resources of other non-business budgets, it is necessary to strengthen control of recurrent expenditures, check and monitor expenses.

3.3.2.5. Comply with development investment spending

Firstly, on controlling the process of mobilizing and allocating investment capital. Increase LB spending on infrastructure development investment to accelerate the social capital attraction and make practical contributions to economic growth.

Secondly, control the process of using capital investment. Strictly control the process of using capital at strategic priority projects to ensure the allocation

of resources in accordance with the construction schedule combined with strict quality control according to the process.

3.3.2.6. Improve efficiency of inspection, inspection, management and use of LB

Firstly, improve the quality of LB supervision of the Provincial People's Council.

Secondly, promote the role of financial inspectors and state inspectors in inspecting and monitoring the use of investment budgets in the locality.

3.4. SOME RECOMMENDATIONS

3.4.1. Recommendations to the Lao National Assembly

The current IX Lao National Assembly and the next National Assembly need to review, synchronize and adjust, amend and unify the provisions of the current SB Law in the direction of expanding the right to be more proactive for the government of Laos. province in formulating LB expenditure norms.

Unify the planning method according to the current Lao SB Law.

3.4.2. Recommendations to the Government of Laos

The Government needs to review and adjust the system of regimes and norms for allocating the SB generally applied to localities, especially the norms of allocation of budget for administrative management to the units under the province, the norms of allocating expenditures on the SB. regular education, training and sports career, medical career.

Quickly issue documents to guide LB management agencies when the central government adjusts its policies.

3.4.3. Recommendations to the People's Committee of Vientiane Province

The People's Committee of Vientiane province quickly perfected the standard system, reasonable spending norms and regularly updated to match actual conditions.

CONCLUSION CHAPTER 3

On the basis of analyzing the current state of SBE management in Vientiane province and basing on orientations, objectives, and requirements for completing the management of SBEs in Vientiane province, the thesis proposes two groups of solutions to improve management. SBE in Vientiane province. They are: (i) A group of solutions on institutions, mechanisms and policies and (ii) A group of solutions on organization, implementation of institutions, mechanisms and policies..

CONCLUSION

SBE management in the province of Vientiane is one of the very necessary and important issues in order to contribute to the effective and correct use of the SB. At the same time, strengthen the financial system, improve the openness, transparency and democracy in the use of national financial resources in general and the SB of Vientiane province in particular, to meet the needs of

the renovation process. financial policy of Laos when integrating with the world economy.

The thesis Management of SBEs in Vientiane province has basically solved the requirements set forth, shown through the following main research achievements:

Firstly, it has been systematized and analyzed, contributing to enriching some basic theoretical issues about SBE such as concept, characteristics, classification and role of SB expenditure; basic theories on SBE management such as: concepts, characteristics, principles of SBE management, indicating methods of SBE management according to input and results. The thesis also presented the basic theories on the content of SBE management approaching according to the management process including: making estimates, organizing the implementation of estimates, accounting and settlement, inspection and examination. The thesis has presented the factors affecting the management of SBE and the criteria for evaluating the management of SBE according to qualitative and quantitative criteria.

Secondly, has studied the experience in management of SBEs of some localities in Lao PDR and Vietnam. From there, draw 04 lessons learned on management of SBEs for Vientiane province.

Thirdly, an overview of the current state of SBE management in Vientiane province; synthesize, analyze, demonstrate and draw some conclusions about the achieved results, limitations and causes of the current state of SBE management in Vientiane province in the 2016-2020 period.

Thirdly, an overview of the current state of SBE management in Vientiane province; synthesize, analyze, demonstrate and draw some conclusions about the achieved results, limitations and causes of the current state of SBE management in Vientiane province in the period 2016 - 2020. Fourth, the thesis presented Objectives and orientations for socio-economic development of Vientiane province and provide perspectives on completing the management of SBEs in Vientiane province in the period to 2025 with a vision to 2030, including 05 points of view. The thesis proposes 2 large groups of solutions with many specific solutions and 2 recommendations to improve the management of SBEs in Vientiane province to 2025, with a vision to 2030. In which, solutions are noteworthy: Improve the budget management capacity of the apparatus and decentralize management; review and perfect the regimes, policies and norms in the making of expenditure estimates and the observance of SBEs ; forming a multi-year economic policy framework and perfecting the socio-economic development strategy as a basis for formulating long-term budget estimates; allocate budget in order of priority in accordance with planning objectives, socio-economic development plans of the province; expanding the autonomy of SB beneficiaries; improve the results of inspection, inspection, management and use of the provincial budget./.

LIST OF PUBLISHED SCIENTIFIC RESEARCH RELATED TO THE THESIS TOPIC

1. **Vilakoun Khamla**, SBE to Promote the Sustainable of Private Sector in LAO PDR, *Finance - Accounting for promoting Sustainable Development in private Sector 2020 Proceedings*

2. **Vilakoun Khamla**, Improving the management of SBE through the state treasury of Vientiane province, Lao People's Democratic Republic, *FASPS 2021 Proceedings*, Hanoi City, Vietnam.