

# OPEN BUDGET SURVEY 2012



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Warren Krafchik  
Director

# WHAT IS THE OPEN BUDGET SURVEY?

The Open Budget Survey measures the state of budget transparency, participation, and oversight in countries around the world. It consists of 125 questions and is completed by independent researchers in the countries assessed.

Ninety-five of the questions deal directly with the public availability and comprehensiveness of the eight key budget documents that governments should publish at various points of the budget cycle. The remaining 30 questions relate to opportunities for public participation in the budget process, and to the roles played by legislatures and supreme audit institutions in budget formulation and oversight. The Survey does not reflect opinion. It measures observable facts related to budget transparency, accountability, and participation.

Over the past two years, the IBP has worked with civil society groups and independent researchers to complete the questionnaires in the 100 countries covered by the 2012 Survey. There was a clearly defined research period (from August to December 2011) that applied to all of the countries assessed to guarantee comparability of data. To the extent possible, specific evidence — such as citations of available budget documents, provisions in laws, or interviews with government officials or other relevant actors — was gathered and presented to support each response. The results were thoroughly vetted by two anonymous peer reviewers and by the IBP. In addition, governments were given the opportunity to comment on the draft results for their country.

In order to allow for comparisons across countries and over time, the IBP calculates the Open Budget Index (OBI), a simple average of the quantified responses for the 95 Survey questions that are related to budget transparency. The OBI assigns each country a score that can range from 0 to 100.

Annex A of this report presents a complete description of the Survey methodology, but there are four methodological changes from previous rounds that were introduced in the 2012 Survey that are worth highlighting:

- The number of questions used to calculate the Open Budget Index went from 92 to 95, as additional questions were introduced to provide a more thorough assessment of Citizens Budgets, which are accessible, nontechnical presentations of budget information.
- A completely new section was introduced on public engagement in the budget process to assess the extent to which the three main institutions surveyed (executive, legislature, and supreme audit institution) provide spaces for public participation in budget processes.
- Existing questions used to gauge the strength of the legislature were modified and others were added to better assess the role that legislatures play in the budget process.
- The number of questions used to score the strength of auditing institutions was reduced to four.

# EXECUTIVE SUMMARY

Whether you are an expectant mother in Mexico who needs access to prenatal care, a farmer in Malawi worried that fertilizer subsidies will be slashed as part of a foreign aid deal, or a Cambodian civil society organization that wants to ensure that the substantial new funds from oil extraction will be used to help those most in need — government budgets matter to you. So you want to know, and indeed have the right to know, what is in your country's budget. And there should be mechanisms for public participation and accountability to keep budget decisions on track.

International institutions, many individual governments, and independent experts all agree that for public budgets to be managed efficiently, and in accord with a country's needs, comprehensive budget information needs to be widely available, meaningful opportunities for civil society and citizens to actively participate in budget decision making and oversight need to be provided, and strong independent oversight from the legislature and auditors needs to exist. The consensus around the importance of open budgets is stronger than ever before.

Yet the Open Budget Survey 2012 finds that the state of budget transparency and accountability is generally dismal. Only a minority of governments publish significant budget information. Fewer still provide appropriate mechanisms for public participation, and independent oversight institutions frequently lack appropriate resources and leverage. A large number of countries have made no changes, or made only a few changes, to their budget systems in recent years and continue to provide insufficient information. Some countries are even headed in the wrong direction; their systems have become more closed.

There has been progress, however. Average budget transparency scores have risen in nearly all parts of the world. Progress has been especially steady and significant

among those countries where the least budget information had been provided. Some countries have seen dramatic improvements, brought about by a combination of government commitment and domestic and external incentives and pressure.

Indeed, the 2012 Survey evidence suggests that any country, irrespective of geographical location or income level, can perform well on budget transparency. The importance of a government's political will to achieve better budget transparency cannot be overstated.

## The State of Budget Transparency

The Open Budget Survey is designed to provide a better understanding of the current state of budget transparency and accountability, as well as how these have changed over time. Previous iterations of the Survey are already being used widely by individual country governments and civil society organizations, as well as by multi-stakeholder and sector-specific transparency and accountability initiatives.

This report focuses on the latest application of the Survey, which consists of 125 factual questions completed by independent researchers in the 100 countries covered, and subject to an extensive review process, including two anonymous peer reviewers. The bulk of the Survey's questions focus on the amount of budget information that is made publicly available in eight key budget documents. The answers to 95 questions related to these documents create an Open Budget Index (OBI) score, a broad comparable measure of a country's budget transparency that can range from 0 to 100.

The OBI 2012 scores are not impressive. The average score among the 100 countries studied is just 43. Only 23 countries provide significant information or better, as indicated

by OBI scores that exceed 60. A disturbing 26 countries provide scant or no budget information, with scores of 20 or less. Another 15 countries provide only minimal budget information, with scores between 21 and 40.

Twenty-one countries even fail to publish the Executive's Budget Proposal, the essential document that describes the government's proposed budget policies. 131 of all the documents that are not published by the governments studied are nonetheless prepared, but for internal use only. Budget transparency could be significantly advanced by the simple step of governments releasing these already-prepared documents to the public.

Even when the documents are published, they frequently lack sufficient detail. For example, the Executive's Budget Proposals that countries publish provide, on average, less than three-fifths of the desired information.

Statistical analyses conducted for the IBP based on the OBI 2008 results, as verified by their application to the 2012 results, show that higher-income and more democratic countries tend to have higher OBI scores; oil-dependent autocracies tend to have lower OBI scores.

Nonetheless, this report finds that aid-dependent countries like Afghanistan, hydrocarbon revenue-dependent countries like Mexico, countries in the Middle East and sub-Saharan Africa like Jordan and South Africa and Uganda, all have relatively transparent budget systems, scoring significantly better on the OBI than their peers. Any government that has the political will to advance reforms can make its budget appropriately transparent.

## Changes in Budget Transparency over Time

The Open Budget Survey was also carried out in 2006, 2008, and 2010. Among the 40 countries for which there are comparable data since 2006, progress has been significant and widespread. The average OBI score for these countries increased from 47 in the 2006 Survey to 57 in the 2012 Survey, with nearly all regions of the world showing improvements.

The pace of progress over the 2006 to 2012 period was brisk among those providing little budget information to begin with, but slower among the countries starting with higher levels of transparency. Among the countries with OBI scores of 40 or less in 2006, the average score jumped 16 points (64 percent) by 2012. Among countries with scores between 41

and 60 in 2006, the average score rose almost 20 percent, and among those with scores above 60 in 2006, the average score increased by just two percent.

Progress also characterizes the trend over the most recent two years, but to a lesser degree. There are comparable data for 2010 and 2012 for 93 countries, and the average OBI score for these countries increased from 43 to 45 during this period. Though two years is not much time to improve, the reality is that if the governments of these countries had merely taken the quick and nearly cost-free step of making public all of the documents they were already producing for their internal purposes, the increase in the average OBI score would have been substantially greater. Budget transparency did advance significantly among the countries that had been the least transparent; among the countries starting with OBI scores of 40 or less, the average OBI score rose from 19 in 2010 to 26 in 2012, a robust 36 percent increase. Among other countries, however, the level of transparency remained essentially unchanged.

The report discusses in some detail the stories behind the recent large gains in budget transparency in Honduras (whose OBI score rose from 11 in 2010 to 53 in 2012), Afghanistan (whose OBI score jumped from 8 in 2008 to 59 in 2012), and the countries of Francophone West Africa (whose scores doubled, on average, from 2010 to 2012, albeit from a low base). These examples explain how the commitment of governments accompanied by other favorable factors, such as donor interventions, international standards, and civil society pressure, can yield significant and rapid improvements in budget transparency.

Optimism about recent progress in budget transparency, however, should be tempered by three considerations. First, the progress is from a low base. Thus even after recent improvements, the global average level of transparency remains far from sufficient to facilitate adequate budget discussions.

Second, while some countries registered dramatic gains in budget transparency in recent years, other countries registered dramatic declines. From 2010 to 2012, for instance, OBI scores fell by 15 points or more in Egypt, Serbia, Sri Lanka, and Zambia. Budget transparency gains can erode quickly when political circumstances change.

Third, far too many countries with unacceptably low levels of budget transparency are failing to advance reforms. To illustrate, of the 59 countries that provided inadequate budget information (with OBI scores of 60 or less) in 2008, nearly half

(28 countries) continue to perform at similarly inadequate levels, or significantly worse, in 2012.

## Assessing Public Participation

The 2012 version of the Open Budget Survey contains a new section on public participation in the budget process (which is not included in the OBI score). This innovative section reflects six principles, including that public engagement should occur throughout the budget process, with all parts of government, and should have a legal basis.

The results indicate that most countries currently provide few opportunities for public engagement. Among the 100 countries surveyed in 2012, the average score on the indicators of public participation in the budget process is just 19 out of 100. Only South Korea, with a score of 92, provides extensive opportunities for public participation. Eight countries provide no opportunities for public engagement.

Some promising innovations in this area, however, are being advanced. There is South Korea's full-fledged approach to adding space for public input into the budget, which includes field trips by the finance ministry to learn about local conditions. Trinidad and Tobago's approach includes a variety of public forums, and New Zealand uses client surveys and has pioneered hot lines on tax issues, which allow citizens, for example, to report tax evasion or fraud anonymously.

## Oversight by Legislatures and Supreme Audit Institutions

Civil society and citizen budget monitoring, while important, is no substitute for formal government institutions that provide comprehensive oversight. Accordingly, the Open Budget Survey also contains questions that provide separate scores on the strength of legislative and supreme audit institution oversight of the budget.

In 2012 the average score for legislative strength is 52 out of 100. Some 31 countries score 67 or better; only 20 countries score 33 or less. These moderately positive overall findings obscure significant deficiencies that confound legislative oversight. In a little less than a third of countries, legislatures do not have sufficient time to review the budget proposal before it has to be passed. In three-quarters of countries, legislatures have insufficient or no staff to analyze the budget. Further, once the budget is enacted, in large numbers of countries the executive branch undermines legislative oversight by subsequently redistributing the

resources, or by arbitrarily allocating additional revenues and contingency funds, all without seeking legislative approval.

Supreme audit institutions are tasked with scrutinizing the use of public funds. In 2012 the average score for SAI strength is 69 out of 100, indicating they are typically reasonably independent and mostly well staffed. SAIs in only 14 countries receive scores suggesting they are weak

One unsurprising but nevertheless troubling finding is that countries with weak legislatures, weak SAIs, or limited public participation have a greater tendency to also be countries with little budget transparency, implying all governance aspects of their budget systems are deficient. Most disturbing, the budget systems of 10 countries (Angola, Cameroon, China, Equatorial Guinea, Fiji, Morocco, Myanmar, Qatar, Tunisia, and Zimbabwe) are characterized by little budget transparency, weak legislatures, and weak auditors.

## Recommendations

Findings from the Open Budget Survey 2012 provide a grim picture of budget transparency, participation, and accountability. The majority of countries surveyed provide insufficient budget information and few opportunities for public engagement with the budget. Their oversight institutions are somewhat stronger but fall short in important areas. Although gradual progress is being achieved, the pace of this progress is so slow that the IBP estimates that unless things change it will take at least a generation for the vast majority of countries in the world to attain significant levels of budget transparency. This could mean a generation of wasted opportunities and wasted resources.

This grim picture contrasts sharply with the growing body of evidence of the positive benefits of fiscal transparency, including new research showing that transparent budget systems can lead to cheaper international credit and, according to the International Monetary Fund (IMF), are critical to a country's fiscal credibility and performance. There is also substantial new case study evidence showing that in countries around the world budget transparency coupled with opportunities for public participation have enabled effective civil society budget monitoring that exposes corruption and better matches national resources with national priorities.

At the same time, and partly driven by such evidence, a global consensus has emerged on the need to promote more open government practices in order to improve both governance and development outcomes. This has spurred

the creation of high-profile multi-stakeholder transparency and accountability initiatives, including the Open Government Partnership, which now comprises more than 55 countries that have already made over 300 specific “open government” commitments, including several on fiscal transparency and participation. Further, the Global Initiative for Fiscal Transparency (GIFT) has brought together international institutions, governments, and civil society to develop consensus on global norms on fiscal transparency and participation. The United Nations General Assembly is likely to adopt in early 2013 a resolution acknowledging GIFT’s work and the need for fiscal transparency.

All of this means that countries no longer have an excuse for failing to meet basic transparency and accountability standards. Good budget practices have been identified and standards have been set, substantial technical assistance is available to implement reforms, and reforms can be accomplished at little to no financial cost. The incentives to improve are there — all that is typically missing is the political will to act. That must change.

Our overarching recommendation is that the governments of individual countries commit to soon achieving the following practical benchmarks.

- Countries in the bottom two categories of the OBI should ensure that at least a minimum set of budget documents, including the Executive’s Budget Proposal, the Enacted Budget, the Audit Report, and the Citizens Budget, are published in a regular and timely manner, and that public hearings are held in the legislature to disseminate budget information and to gather citizen views on budget policies. All countries can do this quickly and at limited cost.
- Countries in the middle category of the OBI should resolve to provide significant budget information as measured by moving their OBI scores above 60, which can be done by improving the comprehensiveness of existing budget documents. They also should promote more citizen engagement in budget processes and ensure that legislatures and SAIs have the necessary resources to carry out their oversight function effectively.
- All countries should advance both fundamental and innovative participation mechanisms throughout the budget process, and all countries should publish all their budget documents on the Internet in “machine-readable” formats, like an Excel spreadsheet, that facilitate analysis.

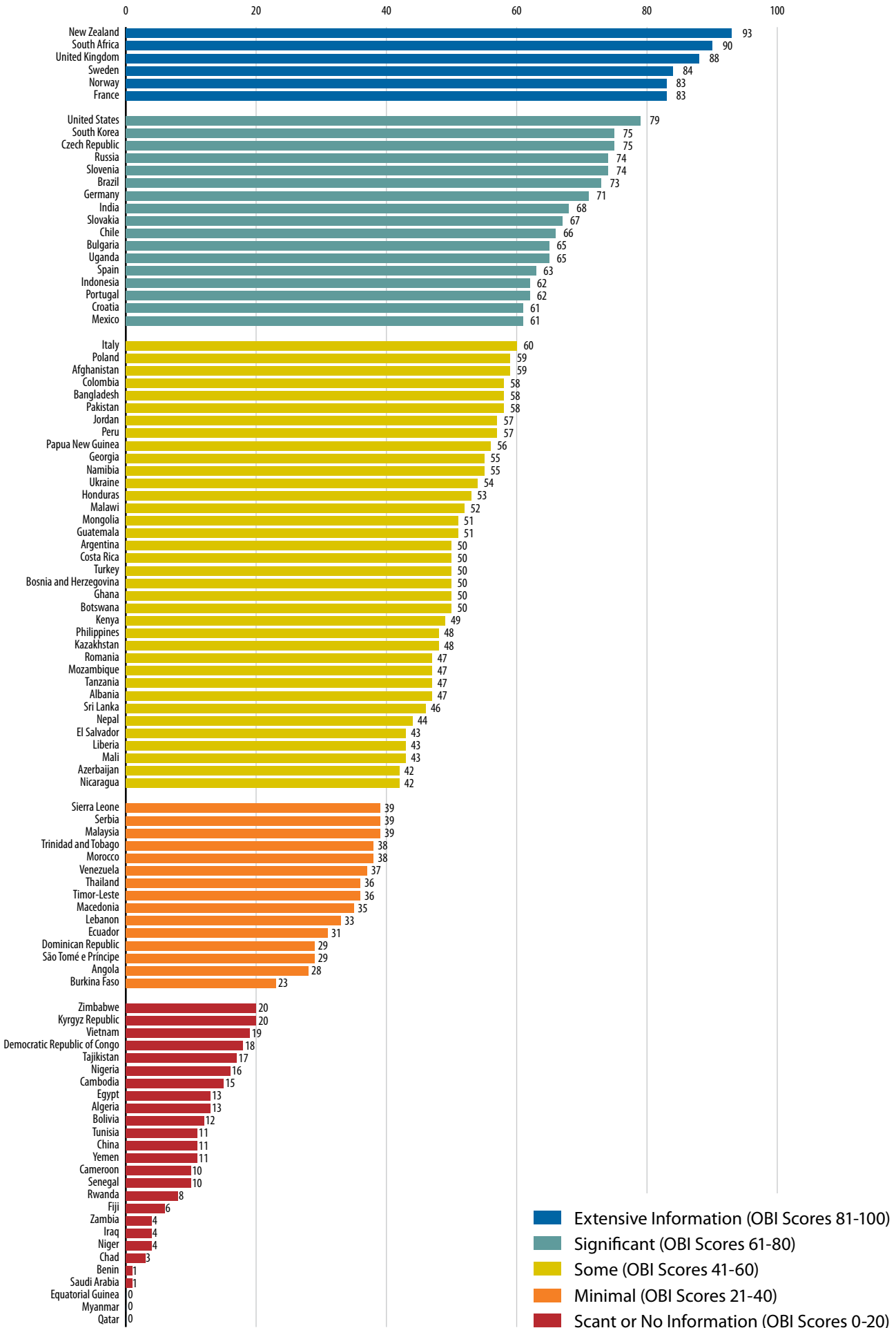
Individual country initiatives are more likely to occur, and to be successful, if they are encouraged and supported by the wide range of other actors with an interest in advancing budget transparency and accountability. A concerted effort by all stakeholders to provide appropriate incentives and pressure is thus most likely to generate needed reforms. Multi-stakeholder initiatives need to commit the resources and influence required to make them a success. Legislatures and SAIs should demand the independence and resources necessary to make them effective, and should improve their collaboration with each other and civil society. Donor agencies should follow and expand recent instances of tying the quality of foreign aid to budget reforms. Civil society should continue its role in pushing for more transparency and accountability, and further demonstrate the constructive roles it can play with adequate information and access.

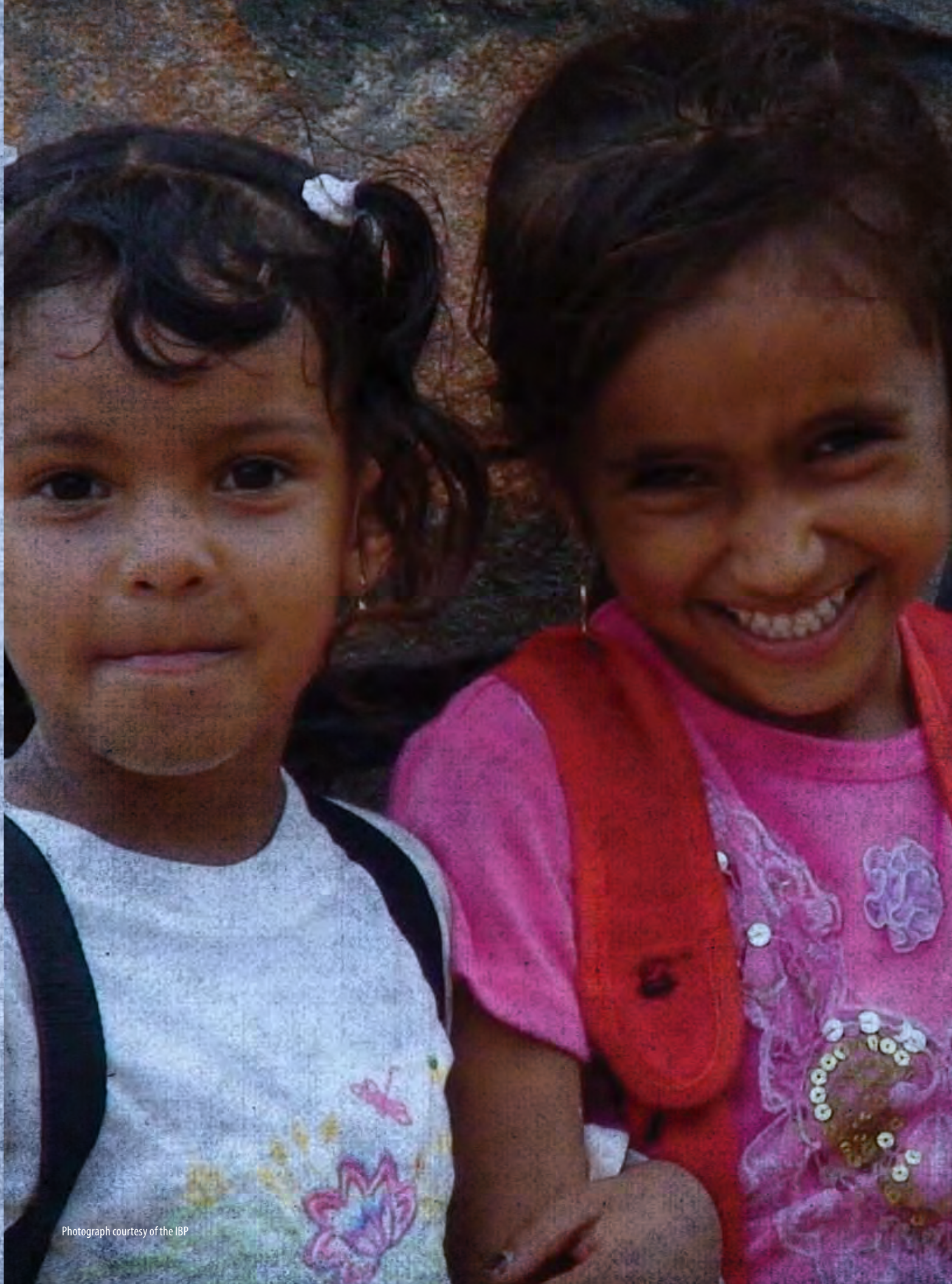
In these efforts, we recommend that the Open Budget Survey assessment of budget transparency and accountability be widely used. Practical solutions demand clear understanding. The published versions of the Survey and summary reports for each country can be a valuable resource for governments, donors, and development practitioners to benchmark budget openness, and to identify specific reform measures that could be implemented to expand transparency, participation, and oversight.

All the tools necessary to advance budget reforms — consensus on standards, mobilized actors, and understanding of current deficiencies — are at hand. If these tools are deployed in a concerted fashion, historic and widespread advances in budget transparency and accountability can soon be achieved.



# THE OPEN BUDGET INDEX 2012





Photograph courtesy of the IBP

# CHAPTER 1

# INTRODUCTION

## Why Do Budget Transparency and Accountability Matter?

*"I think they just ate the funds. Do you see a school here?"*

This was the response from a man from Likoni, a poverty-ridden area on the outskirts of Mombasa, Kenya, when asked about what happened to over US\$55,000 that the local government was supposed to have used to build the Mrima Secondary School. The man in his mid-30s stood next to a hole surrounded by his neighbors; the hole was reportedly where the Constituency Development Committee had begun digging the foundation for the school and then inexplicably had abandoned the project. According to the neighborhood spokesperson, the project wasn't the right one anyway. "No one came to the community to ask if we wanted to put a school here. What we need is a dispensary," he reported, with the others nodding and murmuring their assent.

It doesn't have to be this way. Government budgets matter to all, and citizens want to know — indeed, have the right to know — what is in their country's budget. And there should be mechanisms for public participation and accountability to keep budgets on track.

This is particularly true now, as budget decisions are especially critical to tackling many of the world's most pressing problems. Governments in rich and poor countries are continuing to deal with the fallout from the global economic crisis, the world community is pulling together to finance and implement solutions to shared challenges like persistent poverty and the effects of climate change, and substantial new funds are expected to flow into government coffers from promised increases in foreign assistance and new

domestic sources. The influence of budget decisions in the outcomes of these efforts cannot be overstated.

Over the past decade or so there has been growing evidence that the best way to improve the allocation of public finances is through budget systems that are transparent, open to public engagement and scrutiny, and that have robust oversight institutions and mechanisms. Such budgeting practices can positively impact growth, efficiency, and equity. Indeed, there are sufficient public resources available globally to make substantial progress on eradicating extreme poverty and creating sustained economic development, but only if these funds are managed effectively and allocated equitably.

The new evidence on the impact of budget transparency and accountability indicates:

*Transparency can help attract cheaper international credit:* Research commissioned by the IBP finds that, after controlling for various economic variables, countries with higher levels of fiscal transparency have higher credit ratings and lower spreads between borrowing and lending rates, thus reducing governments' borrowing costs.<sup>1</sup> Even for countries with similar credit ratings, higher transparency is associated with lower spreads.

*Opacity in fiscal matters can undermine fiscal discipline:* An International Monetary Fund (IMF) study finds that an important predictor of a country's fiscal credibility and performance is the level of transparency in its public finance systems and practices. In looking at the recent global economic crisis, the IMF study attributes almost a quarter of the unexpected increases in government debt across the countries studied to a lack of available information about

1. See <http://internationalbudget.org/wp-content/uploads/IBP-Working-Paper-1-Budget-Transparency-and-Financial-Markets.pdf>.

the government's fiscal position.<sup>2</sup> In other words, opacity in fiscal matters contributes significantly to the suffering being felt directly by the citizens of the crisis-stricken countries in Europe.

*Transparency and public participation can help shine the light on leakages and improve efficiency in public expenditures:*

In India the National Campaign for Dalit Human Rights (NCDHR) exposed how the government had diverted funds for programs for Dalit communities — one of the poorest and most marginalized groups in India — to finance the 2010 Commonwealth Games. Using investigative reports based on budget tracking and analysis, the NCDHR launched an advocacy campaign to recoup the money, which resulted in widespread national and international media coverage. Under this pressure, India's Home Minister ultimately admitted publicly that US\$130 million of public funds for Dalits was wrongly diverted and committed to returning the money. So far the government has returned almost US\$100 million, which is now supporting services and programs for approximately 2.4 million Dalits.<sup>3</sup>

*Transparency and public participation foster equity by matching national resources with national priorities:* In South Africa, a country with an alarmingly high rate of HIV infection, the national government resisted funding programs to prevent the transmission of the virus from expectant mothers to their babies and to provide antiretroviral medicines (ARVs) to those infected, arguing these services were unaffordable. In response, the Treatment Action Campaign, a broad-based civil society coalition, launched a high-profile advocacy effort that included taking the government to court. By analyzing available government budget data on health spending, TAC was able to produce solid evidence that there was more than enough in the health budget to pay for ARVs for all HIV-positive South Africans, as well as for programs to prevent new infections. TAC won its case, and the government increased spending on HIV/AIDS treatments by US\$6 billion, providing lifesaving medicines to 1.6 million people who were not receiving such help before.

## The Push for Transparency and Accountability

Given such evidence, and the current fiscal environment, it is not surprising that there is a blossoming international consensus among governments, civil society, and other public finance and economic development actors around the need for greater budget transparency and account-

ability. This consensus has spurred several global, multi-stakeholder initiatives to promote open and accountable governance.

The highest profile of these is the Open Government Partnership (OGP), which brings together governments and civil society to promote transparency, increase civic participation, fight corruption, and harness new technologies to strengthen governance. The OGP was launched in September 2011, and just 12 months later over 55 participating countries from around the world have made over 300 specific "open government" commitments — concrete actions, developed in consultation with domestic civil society organizations, to improve governance across a number of areas. Many of the commitments refer to increasing access to budget information and participation in budget processes.<sup>4</sup>

Another broad multi-stakeholder effort is the Global Initiative for Fiscal Transparency (GIFT). The IBP, together with key governments, donors, international finance institutions, professional associations for legislatures and government auditors, and civil society groups, formed GIFT to advance and institutionalize global norms and standards for transparency, participation, and accountability in public finance.<sup>5</sup>

There also have been a number of sector-specific multi-stakeholder initiatives launched over the past several years linked to fiscal transparency. For instance, the Extractive Industry Transparency Initiative aims to ensure that the payments from private corporations to governments in resource-rich countries for extraction rights are publicly reported, so that citizens and other actors can ensure that these funds, which frequently are substantial, are used effectively. Similarly, the International Aid Transparency Initiative developed a new standard for gathering and disseminating information on aid flows, which was adopted in 2011. The standard ensures that governments, civil society, and citizens have a clear picture of where aid funds are going, in order to maximize the impact of foreign assistance on development in the recipient countries. Other sectors in which transparency initiatives are being promoted include those for government-funded construction projects and the procurement of medicines.<sup>6</sup>

Civil society networks have begun campaigns that sometimes run parallel to these multi-stakeholder efforts. For example, Publish What You Pay and Publish What You Fund are civil society campaigns that focus on transparency in revenues from the extractives sector and foreign aid, respec-

2. See <http://internationalbudget.org/wp-content/uploads/IMF-Fiscal-Transparency-Accountability-and-Risk.pdf>.

3. For more details about this and the following example from South Africa, as well as to read other case studies on the impact of civil society budget analysis and advocacy, see: [http://internationalbudget.org/ibp\\_publication\\_categories/case-studies/](http://internationalbudget.org/ibp_publication_categories/case-studies/).

4. See <http://www.opengovpartnership.org/country-commitments>.

5. Find out more at [www.globalbtap.org](http://www.globalbtap.org) and [www.fiscaltransparency.net](http://www.fiscaltransparency.net).

6. Open Contracting: <http://www.open-contracting.org/>; and Medicines Transparency Alliance: <http://www.medicinestransparency.org/>.

tively. In addition, at a global assembly in Dar es Salaam, Tanzania, in November 2011, representatives of civil society organizations that engage in budget work in 56 countries came together to consolidate their expanding network into a movement. Thus the Global Movement for Budget Transparency, Accountability, and Participation (BTAP) was born.<sup>7</sup> Participants signed a Declaration of Principles that calls on governments and stakeholders across sectors to work together to advance transparency, public participation, and accountability in public budget systems and processes. On their part, donors and development institutions, such as the World Bank, the European Commission, and bilateral aid agencies (such as the United Kingdom's Department for International Development) have instituted policies requiring recipient governments to open their budget processes in order to be eligible for certain types of assistance.

These initiatives and developments have the potential to promote and catalyze great strides toward open, responsive, and accountable public budget systems. But these efforts need to be grounded in an understanding of the state of budget transparency around the world, of countries where transparency is strong and weak, and of how reforms can be achieved in the countries that operate closed budget systems.

## Taking the Pulse of Open Budgeting Around the World

It is in this context that the IBP releases the Open Budget Survey 2012. The Survey's Open Budget Index provides the most comprehensive cross-country measure of public access to information on the receipt and expenditure of public funds. The Survey also provides unique information on the extent to which civil society and members of the public can participate in budget processes, and on the strength of the legislative and audit institutions responsible for overseeing the management of public funds.

The Open Budget Survey measures the openness and accountability of government budget systems and practices, and also offers a guide for their improvement. The 2012 Survey covers 100 countries, making it the largest comparative, independent assessment to date of budget information, processes, and institutions. This is the fourth round of this biennial global assessment of government budget transparency and accountability since 2006.

## How Are the Open Budget Survey Results Being Used?

The Open Budget Survey and the Open Budget Index are increasingly being used by governments, civil society groups, and international donor agencies to both measure progress toward more transparent and responsive budgeting and to encourage civil society and citizens to participate in budget processes. For instance, at the national government level, Indonesia committed to increasing its ranking in the Open Budget Index as part of its Open Government Partnership action plan.<sup>8</sup> In Mozambique the OBI is included in the Performance Assessment Framework negotiated between the government and its donors that provide aid through budget support.

Some civil society and international development organizations producing governance indicators have included elements of the Open Budget Survey in their own indices and studies. A few examples are Transparency International's work on the Transparency of National Defense Budgets, the Basel Institute on Governance's Anti-Money Laundering Risk Index, and the World Bank's Worldwide Governance Indicators.<sup>9</sup>

Donor agencies, such as the European Commission and the U.K. Department for International Development, have drawn extensively on the Open Budget Survey recommendations in developing their new guidelines for providing direct budget support, and included budget transparency and oversight as an additional criterion that countries receiving budget support will be assessed against. The World Bank included the Open Budget Survey 2010 recommendations for São Tomé e Príncipe in a list of "prior actions" that the government was required to complete to be eligible for assistance, while the Millennium Challenge Corporation (MCC) used an IBP interim assessment of budget transparency in Honduras to assess the country's eligibility for a funding compact.

## Structure of this Report

This report presents the findings of the Open Budget Survey 2012 as follows:

- Chapter 2: the main findings on the current state of budget transparency according to the Open Budget Index
- Chapter 3: trends over time, comparing the findings from the four rounds of the Survey that have been carried out

7. See <http://www.globalbtap.org/>.

8. See [http://www.opengovpartnership.org/sites/www.opengovpartnership.org/files/country\\_action\\_plans/Indonesia\\_actionPlan.doc](http://www.opengovpartnership.org/sites/www.opengovpartnership.org/files/country_action_plans/Indonesia_actionPlan.doc), p. 6.

9. See the Transparency of National Defense Budgets report at <http://www.ti-defence.org/publications/893-the-transparency-of-defence-budgets>; see the Basel Institute's AML Risk Index at [http://index.baselgovernance.org/Project\\_Description.pdf](http://index.baselgovernance.org/Project_Description.pdf); and see the World Bank's AGI data portal at <https://agidata.org/site/Default.aspx>.

since 2006, and highlighting brief case studies of countries where significant improvements were made

- Chapter 4: the broader accountability landscape, as assessed through the lens of civil society and citizen engagement in budget processes
- Chapter 5: the oversight role of legislatures and supreme audit institutions (SAIs)
- Chapter 6: conclusions and recommendations for various actors who can promote budget transparency, participation, and accountability

Last, annexes provide a detailed description of the Open Budget Survey 2012 methodology and additional data tables.

# CHAPTER 2

# THE STATE OF BUDGET TRANSPARENCY

This chapter focuses on the findings from the subset of 95 questions from the Open Budget Survey that make up the Open Budget Index (OBI). These questions focus on budget transparency; that is, how much budget information is made publicly available. After examining how countries fare according to their overall OBI score, the chapter then examines the results broken out by the eight budget documents that governments should publish at different points of the budget cycle. The chapter concludes with an analysis of the factors associated with different levels of budget transparency, as indicated by different OBI scores.

## Most Countries Provide Insufficient Budget Information

The overall results from the Open Budget Index 2012 reveal that the level of budget transparency around the world is poor. Countries are only considered to provide significant budget information if they receive an OBI score that exceeds 60, but among the 100 countries assessed, the average OBI score is just 43 out of 100, and the median score is just 47.

Only 23 countries provide significant information or better, while 41 provide minimal, scant, or no information. (See page 7 for complete rankings.)

Table 1 shows which countries fall into each of the five main OBI categories based on their 2012 score.

- A disturbing 26 countries provide scant or no budget information, receiving OBI scores between 0 and 20. Equatorial Guinea, Myanmar, and Qatar released no information. Benin (with a score of 1), Chad (3), Fiji (6), Iraq (4), Niger (4), Rwanda (8), Saudi Arabia (1), and Zambia (4) all scored in single digits.
- Another 15 countries provide only minimal budget information, receiving scores between 21 and 40.
- Thirty-six countries provide some budget information, but not enough to permit an informed budget debate, receiving scores between 41 and 60.
- Seventeen countries, including countries from most regions of the world, provide significant budget information.

**Table 1. In 41 percent of the countries in the Open Budget Index 2012, citizens have access to little or no budget information**

	Number of Countries out of 100 Surveyed	Countries
<b>Extensive information</b> (OBI 2012 score of 81-100)	6	France, New Zealand, Norway, South Africa, Sweden, United Kingdom
<b>Significant information</b> (OBI 2012 score of 61-80)	17	Brazil, Bulgaria, Chile, Croatia, Czech Republic, Germany, India, Indonesia, Mexico, Portugal, Russia, Slovakia, Slovenia, South Korea, Spain, Uganda, United States
<b>Some information</b> (OBI 2012 score of 41-60)	36	Afghanistan, Albania, Argentina, Azerbaijan, Bangladesh, Bosnia and Herzegovina, Botswana, Colombia, Costa Rica, El Salvador, Georgia, Ghana, Guatemala, Honduras, Italy, Jordan, Kazakhstan, Kenya, Liberia, Malawi, Mali, Mongolia, Mozambique, Namibia, Nepal, Nicaragua, Pakistan, Papua New Guinea, Peru, Philippines, Poland, Romania, Sri Lanka, Tanzania, Turkey, Ukraine
<b>Minimal information</b> (OBI 2012 score of 21-40)	15	Angola, Burkina Faso, Dominican Republic, Ecuador, Lebanon, Macedonia, Malaysia, Morocco, São Tomé e Príncipe, Serbia, Sierra Leone, Thailand, Timor-Leste, Trinidad and Tobago, Venezuela
<b>Scant or no information</b> (OBI 2012 score 0-20)	26	Algeria, Benin, Bolivia, Cambodia, Cameroon, Chad, China, Democratic Republic of Congo, Egypt, Equatorial Guinea, Fiji, Iraq, Kyrgyz Republic, Myanmar, Niger, Nigeria, Qatar, Rwanda, Saudi Arabia, Senegal, Tajikistan, Tunisia, Vietnam, Yemen, Zambia, Zimbabwe

- The six countries that provide the most budget information are led by New Zealand with a score of 93.

A more detailed analysis of the characteristics of the countries with different types of scores is undertaken later in this chapter, but it is worth noting here that South Africa (with the second best overall score of 90) is a non-OECD (Organization for Economic Co-operation and Development) country that ranks in the top category. Africa has a second country, Uganda, in the highest two categories, demonstrating that greater levels of budget transparency are achievable on the African continent, even though many of these countries provide grossly insufficient budget information. One discouraging finding is that a number of populous countries, like China (11) and Nigeria (16), remain in the bottom category, preventing large shares of the world's people from accessing the vital budget information they need to hold their governments accountable.

These findings indicate that citizens and civil society in far too many countries do not have access to the information that would allow them to fully understand how public funds are raised or how they will be spent, or to effectively participate in budget debates and monitor budget implementation. Inadequate budget information, in turn, means that budget policies are likely to be less responsive to public needs and priorities and creates greater opportunities for mismanagement and corruption.

## Many Key Budget Documents Are Not Released at All

International standards and practices identify eight key documents that all governments should publish at different moments of the budget cycle. The OBI measures whether governments make these documents available to the public in a timely way and assesses the level of detail in the information in each document.

During the *budget formulation* stage, governments should publish:

- a **Pre-Budget Statement**, which includes the assumptions used to develop the budget, such as total expected revenue, expenditure, and debt levels, and broad sector allocations; and
- the **Executive's Budget Proposal**, which presents the government's detailed plans, in terms of policy priorities and budgets for each ministry and agency, for the coming budget year.

During the *budget approval* stage, governments should publish:

- the **Enacted Budget**, which is the legal document that authorizes the executive to implement the policy measures the budget contains. The Enacted Budget is issued by the legislature after it approves (sometimes with amendments) the budget proposal presented to it by the executive.

During the *budget execution* stage, governments should publish:

- **In-Year Reports**, which include information on revenues collected, actual expenditures made, and debt incurred at a given point in time, generally through monthly or quarterly publications;
- a **Mid-Year Review**, which summarizes the actual budget data for the first six months of the year (revenues, expenditures, and debt), reassesses the economic assumptions upon which the budget was initially drafted, and adjusts the budget figures for the remaining six months accordingly; and
- a **Year-End Report**, which shows the situation of the government's accounts at the end of the fiscal year and ideally includes an evaluation of the progress made toward achieving the policy goals spelled out in the Enacted Budget.

During the *audit* stage, governments should publish:

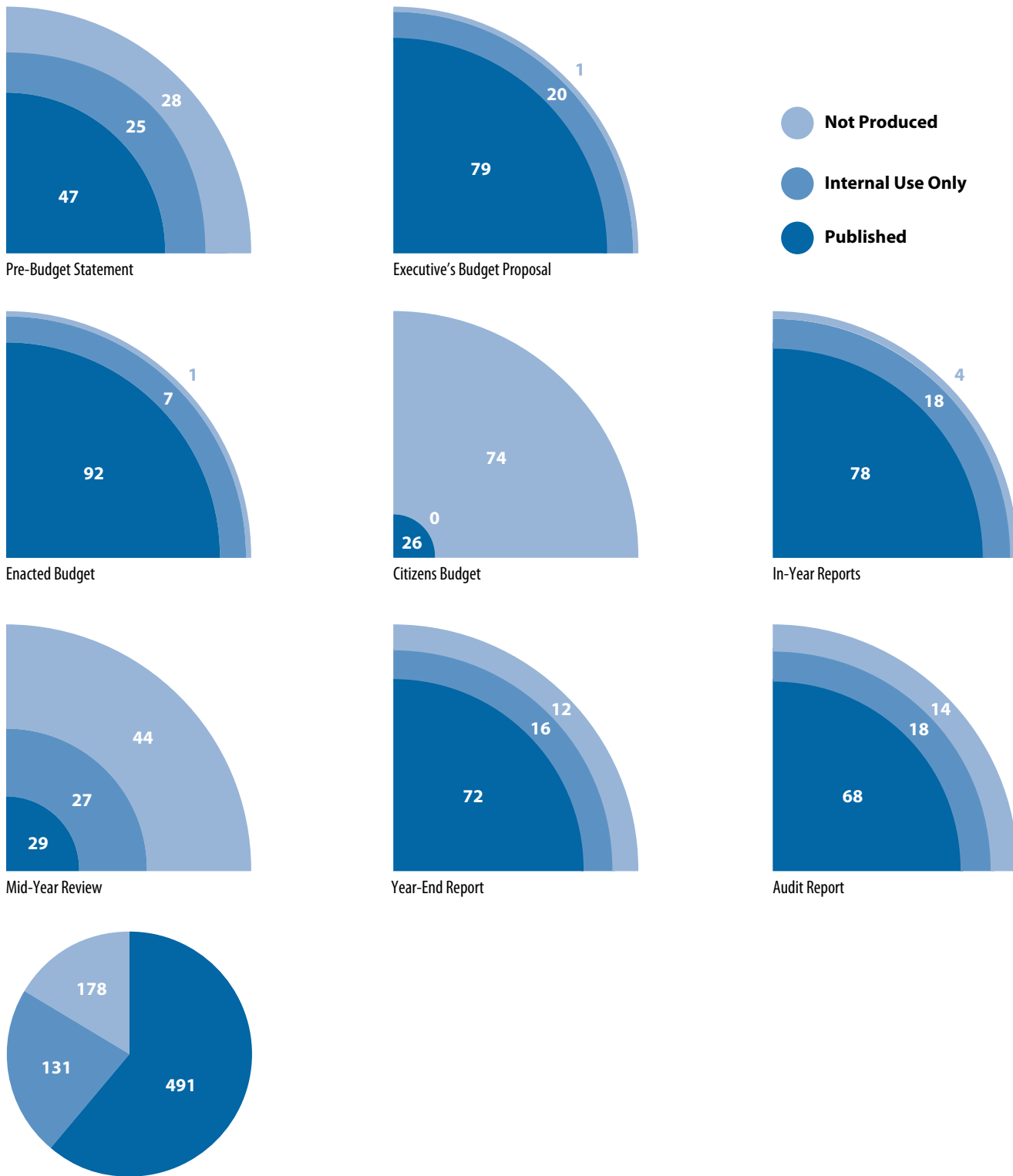
- an **Audit Report**, in which the supreme audit institution evaluates the financial performance of the government in the previous budget year; audits can also cover specific agencies and nonfinancial aspects of the executive's performance.

In addition to these documents, governments should publish a **Citizens Budget**, a simplified version of a budget document that uses nontechnical language and accessible formats in order to facilitate citizens' understanding of, and engagement with, the government's plans and actions during the budget year. While this document has been produced mostly in relation to the Executive's Budget Proposal or the Enacted Budget, accessible nontechnical versions can and should be produced for any or all of the above-mentioned documents.

The good news emerging from the Open Budget Survey 2012 is that more than two-thirds of governments publish five of the eight key budget documents. These include the most essential document, the Executive's Budget Proposal, which was published in 79 of the 100 countries examined. They also include the Enacted Budget (92 countries), In-Year



**Table 2. Many budget documents are not published by countries even though a significant number of these documents are produced for internal use**

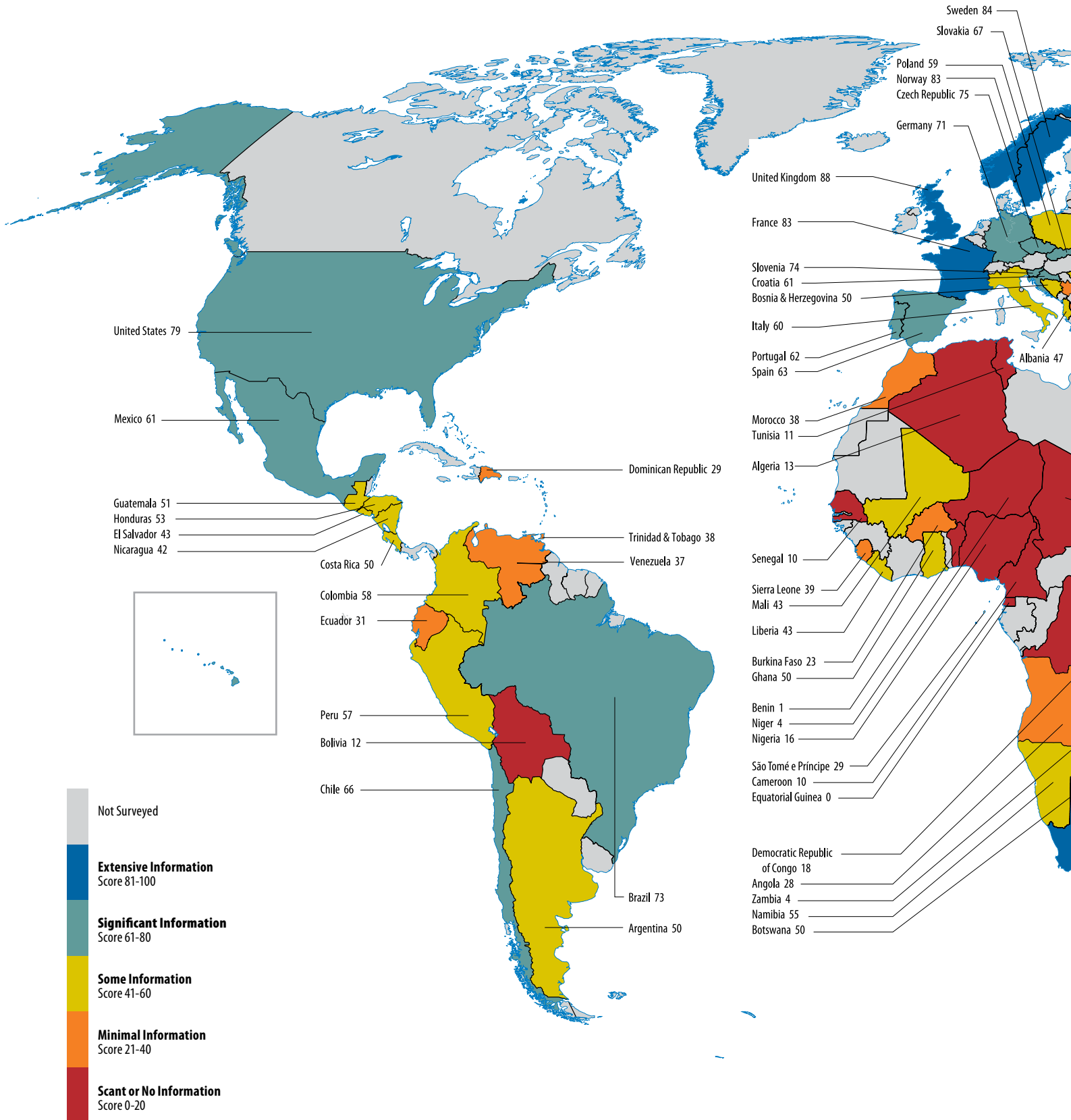


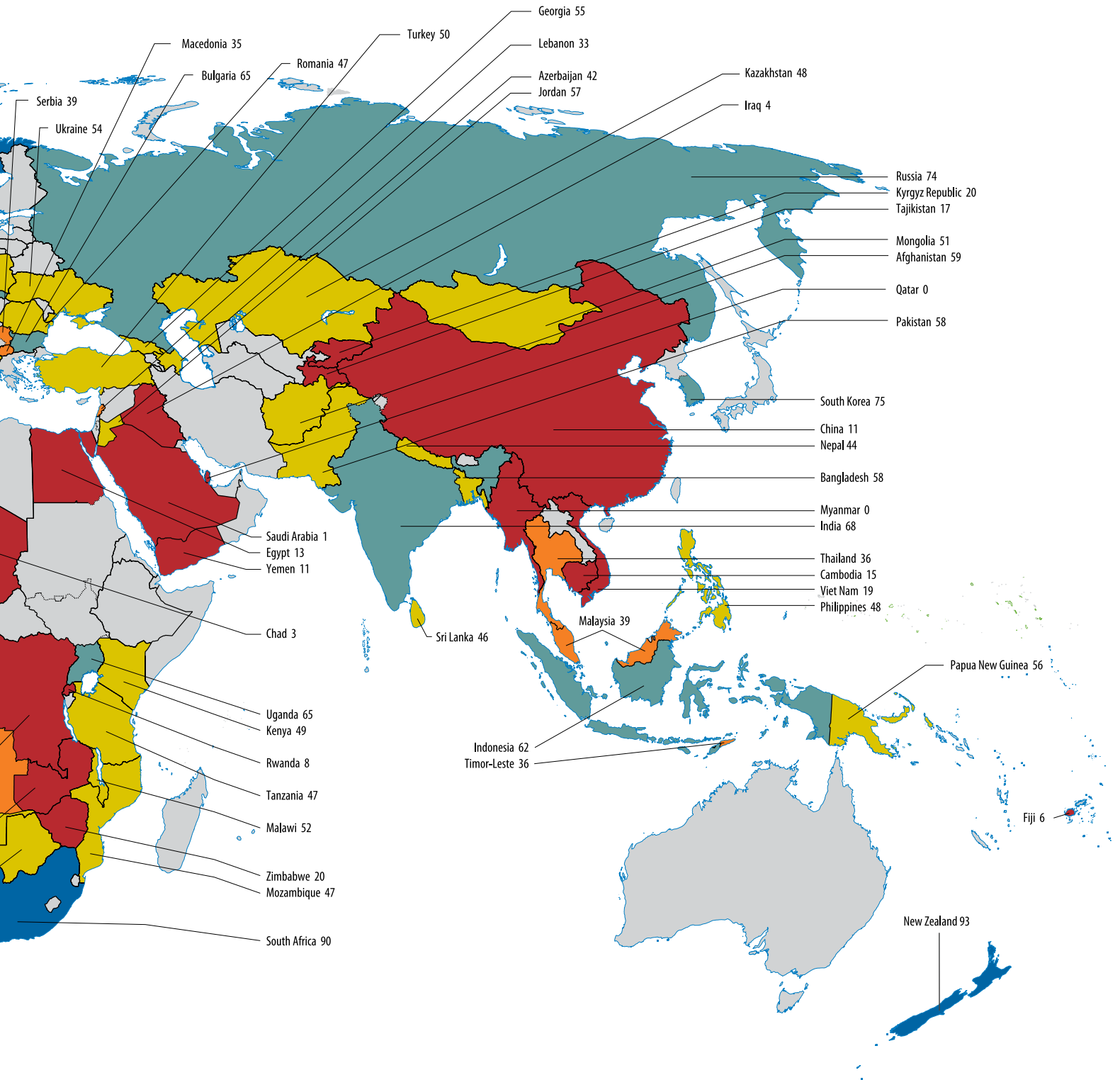
All Eight Budget Documents in the 100 Countries Surveyed

Reports (78 countries), a Year-End Report (72 countries), and the Audit Report (68 countries). Although most countries release these documents, it is essential to remember that all countries should. This is particularly true for the Executive's Budget Proposal, which 21 countries still fail to publish.

Less than half of the countries surveyed publish the other three key budget documents — the Pre-Budget Statement (47 countries), Mid-Year Review (29 countries), and Citizens Budget (26 countries). The most critical impact of this is that citizens in most countries are blocked from understanding certain of their government's budget policy intentions and actions, such as those related to mid-year corrections.

# OBI SCORES 2012





### Box 1. Countries Could Make Budget Information more Easily Accessible on the Internet

Even though Internet access remains limited in remote areas and among the poorer segments of the populations of many countries, posting a document online is by far the easiest and most cost-effective way to begin to make it publicly available. In the majority of countries surveyed, government websites are already being used to disseminate budget information to the public — in fact, the Ministries of Finance in all 100 countries included in the 2012 Survey maintain functioning websites. Servers may be down every now and then, navigation may be cumbersome, and Internet speed may be slow, but generally these websites work. This makes it difficult to find plausible reasons for why the 20 governments producing an Executive’s Budget Proposal for internal use only, as well as the five countries that release only hard copies, do not simply post such documents on their website.

Another important aspect of public availability is the ease with which it is possible to use the data included in the budget documents for analysis and presentation. Currently many of the documents that governments publish are presented only in PDF or other formats that are not “machine readable.” If all or most of this information is published in PDF documents (as is the case in many countries), analyzing the numbers contained in the budget will most likely require the data to be manually copied and pasted, or even typed, into a spreadsheet.

Machine-readable formats, such as an Excel spreadsheet, allow analysts and advocates to extract and use the data they need quicker and with fewer mistakes, rather than having to rely on more cumbersome and lengthy manual processes. This can greatly facilitate the use of budget information by different stakeholders. For example Kyrgyz Republic published its monthly execution reports in Excel format; Morocco does the same for part of the Executive’s Budget Proposal and the Enacted Budget.

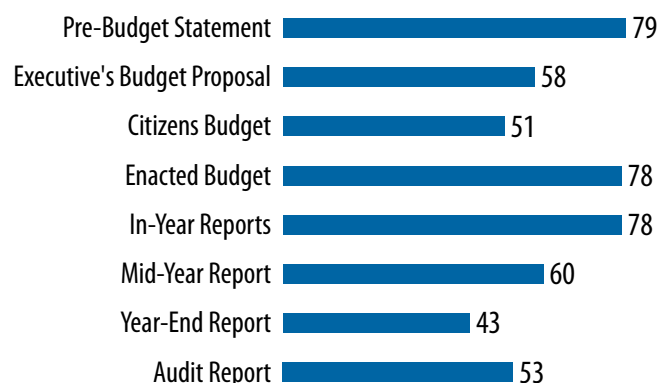
Table 2 details the scale of the problem, breaking out whether documents are not produced at all, are produced for internal use only, or are both produced and published. When a document is not even produced by a country’s government, the government itself is unable to monitor or assess key aspects of budget allocations. Yemen is the only country that does not produce the Executive’s Budget Proposal, but 14 countries, for instance, fail to produce an Audit Report, meaning that they cannot really assess, even internally, whether funds were spent in an effective and legal manner.

A particularly striking finding is that governments are producing a large amount of budget data that is not being shared with the public. Table 2 reveals that an aggregate of 131 budget documents are produced by governments only for their internal use. At essentially no cost, governments could improve budget transparency significantly if they simply began to publish these documents. For instance, 20 countries could advance budget transparency significantly in their countries by making the already prepared Executive’s Budget Proposal available to the public. More generally, as a first step, governments should simply make all these 131 documents available on their official websites (see Box 1).

### Budget Documents Should Be more Comprehensive

Even when governments publish key budget documents, the level of detail and the variety of information contained in these documents are often quite limited. To assess this, the OBI calculates a subscore for the comprehensiveness of each of the eight documents. The subscore is calculated based only on the documents that are actually published.

**Table 3. Comprehensiveness scores show published budget documents typically lack details**



The average subscores for five of the eight key budget documents range from 43 to 60, meaning that even when

these documents are published they generally contain only some information. Only the Pre-Budget Statement and In-Year Reports had solid comprehensiveness scores, on average, suggesting they typically provide significant levels of information when published. (Though it has an average subscore of 78, the Enacted Budget is not included in this list of typically comprehensive reports because there is only one question in the Open Budget Survey assessing the comprehensiveness of this document.)

Some categories of critical budget information are still widely unavailable in published budget documents. Only 20 of the countries surveyed in 2012 provide detailed information on extra-budgetary funds in the Executive’s Budget Proposal, while 47 do not publish any information on these. The use of extra-budgetary funds can hide substantial proportions of public spending, especially in countries that use them to manage natural resource revenues or funds for social security programs. The situation is even worse at the budget implementation and auditing stages, with 65 countries not providing any information on extra-budgetary funds in their Year-End Report, and 57 not publishing Audit Reports on such funds.

Similarly, very little information can be found in budget documents on expenditure arrears, quasi-fiscal activities, tax expenditures, and important sources of fiscal risks like contingent and future liabilities. Most governments also do not disclose adequate information on their holdings of financial and nonfinancial assets, making it more difficult for the public to have a complete picture of the government balance sheet. The average subscores for the coverage of all of these items are well below 40, indicating that on average either minimal or no information is provided on these activities or liabilities.

There also is very limited information provided in budget documents on either the outputs or the outcomes of government action, both planned and achieved. On average, only about half of the countries include any nonfinancial performance targets and indicators in the Executive’s Budget Proposal; and less than one in four include such information in their Year-End Report. While this is a difficult area even for governments with greater technical capacity, the lack of such information constitutes an important gap for civil society and other actors monitoring government spending and its impact.

## Countries with Different Levels of Budget Transparency Share Certain Characteristics

The average level of budget transparency varies significantly among the different regions of the world. As Table 4 presents, the countries in the Middle East and North African region have the lowest OBI scores, with an average of 18, and the countries in the Western European region (the U.S. is included in this region for purposes of this report) have the highest OBI scores, with an average of 75.

**Table 4. OBI scores vary by region**

Region	Average Scores OBI 2012
<b>East Asia &amp; Pacific</b>	<b>39</b>
Cambodia, China, Fiji, Indonesia, Malaysia, Mongolia, Myanmar, New Zealand, Papua New Guinea, Philippines, South Korea, Thailand, Timor-Leste, Vietnam	
<b>Eastern Europe &amp; Central Asia</b>	<b>52</b>
Albania, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Kazakhstan, Kyrgyz Republic, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkey, Ukraine	
<b>Latin America &amp; Caribbean</b>	<b>47</b>
Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Trinidad and Tobago, Venezuela	
<b>Middle East &amp; North Africa</b>	<b>18</b>
Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Qatar, Saudi Arabia, Tunisia, Yemen	
<b>South Asia</b>	<b>55</b>
Afghanistan, Bangladesh, India, Nepal, Pakistan, Sri Lanka	
<b>Sub-Saharan Africa</b>	<b>31</b>
Angola, Benin, Botswana, Burkina Faso, Cameroon, Chad, Democratic Republic of Congo, Equatorial Guinea, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé e Príncipe, Senegal, Sierra Leone, South Africa, Tanzania, Uganda, Zambia, Zimbabwe	
<b>Western Europe &amp; the U.S.</b>	<b>75</b>
France, Germany, Italy, Norway, Portugal, Spain, Sweden, United Kingdom, United States	
<b>Overall Performance</b>	<b>43</b>

Yet there is substantial variation in the level of budget transparency between countries in the same region. For example, in the Middle Eastern and North African region, Qatar provides no budget information, but Jordan receives a respectable score of 57, well above the worldwide average. And South Africa, which is part of the relatively low-scoring sub-Saharan Africa region, had the highest OBI score in the world in 2010 and has the second highest in 2012.

The substantial differences within regions begin to suggest how a range of factors can influence the degree of budget transparency in a country. Past Survey reports presented analyses that found budget transparency to be correlated with a country's income, with the strength of its democratic institutions, and with the degree of dependency on revenues coming from oil extraction or foreign aid. The simple correlations described in previous reports cannot be interpreted as conclusive evidence of the determinants of budget transparency. To gain a deeper understanding of the relationship between budget openness and some of these factors, the IBP engaged independent academics and researchers to further investigate these correlations through more nuanced statistical analysis of 2008 Survey data. (To read the full reports, visit <http://bit.ly/TljR3k>.)

The key findings emerging from this research are:

- A country's income level is confirmed as a key variable affecting the level of budget transparency, even when taking other factors into account. On the other hand, regions are not a determining factor. African and Middle Eastern countries are less transparent because of other factors, not because of their geographical location.
- A democratic political system is a significant factor that supports budget transparency in two parallel ways. The first is through elections. In countries where political power comes from voters, governments have an incentive to provide the public with more credible and detailed budget information. In fact, a switch from autocracy to democracy is typically associated with an improvement in a country's OBI score by almost 20 points, after controlling for other variables. In addition, transparency seems to depend much more on current levels of democracy than on how long a country has been a democracy: for countries in transition, this means that rapid improvements in transparency can be achieved without having to wait for slow processes of learning and adaptation. The second avenue through which democracy affects budget transparency is political competition in legislatures. The more politicians have to

share policy-making authority with coalition partners, or are faced with a high probability of losing power in the next election, the more they will attempt to tie the hands of their competitors with reforms that promote transparency and reduce discretion. When more parties dispute legislative seats, governments are more likely to have open budgets.

- The negative correlation found between dependency on oil and gas revenues and budget transparency is also related to the strength of democratic institutions. Research shows that the negative impact of oil and gas wealth only holds among autocracies, possibly because these natural endowments help autocrats maintain political control. In a more democratic setting (think of Norway or Colombia), on the other hand, oil dependency does not significantly affect budget transparency levels.
- Budget transparency in low-income countries was found to be affected by the choice of aid modalities (i.e., the ways in which aid is provided) and the type of donor interventions, rather than the overall level of aid dependence. The more donors channel aid through recipient country budget systems and strengthen those systems, rather than undermine these systems by using parallel ones, the more transparent these countries are likely to become.

These statistical analyses were replicated using the 2012 data, with similar results in most cases. While the findings on income, geographical location, democracy, and oil dependency were all confirmed, the ones on aid dependence and modalities were not. Therefore, more research may be needed to better understand the ways in which foreign aid influences budget transparency in recipient countries.

Although a range of factors are associated with higher or lower levels of budget transparency, it bears repeating that these factors are not determinative. The 2012 results, as well as the results for previous years, show that countries do not automatically perform poorly on budget transparency just because they happen to have some characteristics that are common to countries that typically perform poorly on budget transparency. For example, aid-dependent countries like Afghanistan, hydrocarbon revenue-dependent countries like Mexico, countries in the Middle East and sub-Saharan Africa like Jordan and Uganda, and low-income countries like Bangladesh have all performed relatively well in 2012 and significantly better than their peers.

## A Dismal Picture, but It Can Change

In short, the Open Budget Survey 2012 finds that the state of budget transparency around the world is dismal: only a minority of governments publishes significant budget information. Many governments are not publishing key budget documents even though these documents are available for internal use and could easily be released on government websites. Further, many published budget documents lack critical details and are presented in formats that are not useful for budget analysis.

But the Survey also finds that any country, irrespective of its geographical location, income level, or dependence on certain types of revenues, can perform well on budget transparency. If governments have the political will to achieve better budget transparency, and this will is assisted by internal and external pressures, then any government can make their budget appropriately transparent. This helps explain the progress in budget transparency that has been achieved over time, the subject of the next chapter.



Photograph courtesy of the Centre for Health and Social Justice, India



# CHAPTER 3

## CHANGES IN BUDGET TRANSPARENCY OVER TIME

The first Open Budget Survey was carried out in 2006, and covered 59 countries. Since then, three more rounds of research have been completed (2008, 2010, and 2012), gradually increasing coverage to the current 100 countries. This chapter looks at how budget transparency has evolved over this time period. It mainly examines broad trends but also digs deeper into some of the countries where transparency recently changed the most.

### Six Years of Progress, but Continued Signs of Concern

There are 40 countries for which there are fully comparable OBI data since 2006.<sup>10</sup> Annex B provides the results for each country from the 2006 to 2012 Surveys. Over this six-year period:

- The average OBI score increased from 47 to 57. Fifteen of the 40 countries showed consistent improvements in each round, with no backsliding. On average, progress among the 40 countries was rapid between 2006 and 2008, significant between 2008 and 2010, but essentially nonexistent from 2010 to 2012.<sup>11</sup>
- Fourteen countries, or more than one-third of the 40 countries, improved their budget transparency by more than 15 points, including low-income countries like Uganda and Bangladesh, which increased their OBI scores by 33 and 19 points, respectively.
- OBI scores improved in all regions.

While budget transparency improved generally over the past six years, the extent of improvements depended significantly on where countries started. The pace of progress

was brisk among those providing little information to begin with, but slow among the most transparent countries.

- Among the 14 countries whose OBI scores were 40 or less in 2006 — meaning they provided minimal, scant, or no budget information that year — the average OBI score jumped from 25 in 2006 to 41 in 2012, an increase of about 16 points or 64 percent.
- Among the 16 countries whose OBI scores were between 41 and 60 in 2006 — meaning they provided some budget information that year — the average OBI score rose from 48 in 2006 to 57 in 2012, an increase of about 9 points or almost 20 percent.
- Among the 10 countries whose OBI scores exceeded 60 in 2006 — meaning they provided significant or extensive budget information that year — the average OBI score rose from 78 in 2006 to 80 in 2012, an increase of about two percent.

Table 5 provides summary information for the four rounds of the Survey. In addition to the 2006 to 2012 data for 40 countries, it includes the basic trend from 2008 to 2012 for which there is comparable data for 77 countries, and the basic trend from 2010 to 2012 for which there is comparable data for 93 countries. These comparisons offer further evidence of the positive changes recorded over the four rounds of the Survey.

10. This number is smaller than the total number of countries included in all rounds because it takes into account methodological considerations and reassessments that prevent comparisons between all of the countries' scores.  
11. Between 2006 and 2008 their average OBI score rose from 47 to 54, between 2008 and 2010 their average rose from 54 to 56, and between 2010 and 2012 their average rose from 56 to 57.

**Table 5. Changes in OBI scores over subsequent rounds of the Open Budget Survey**

Period	# of Comparable Countries	Change in Average OBI Score	Greatest Improvers (+15 points or more)	Worst Performers (-15 points or more)
2006-2012	40	+10 (47 to 57)	Angola, Albania, Bangladesh, Bulgaria, Croatia, El Salvador, Georgia, India, Indonesia, Mongolia, Morocco, Russia, Uganda, Vietnam	Romania
2008-2012	77	+5 (41 to 46)	Afghanistan, Angola, Bangladesh, Democratic Republic of Congo, Dominican Republic, Honduras, Malawi, Liberia, Mongolia, Pakistan, Russia, São Tomé e Príncipe	Egypt, Macedonia, Niger, Romania, Sri Lanka
2010-2012	93	+2 (43 to 45)	Afghanistan, Burkina Faso, Dominican Republic, Honduras, Mozambique, Pakistan, São Tomé e Príncipe	Egypt, Serbia, Sri Lanka, Zambia

However, indications of overall progress, and of more rapid progress among countries that were the least transparent to begin with, should not obscure the lack of progress (and significant backsliding in many cases) in many countries.

Of particular concern, multiple rounds of the Open Budget Survey reveal that budget transparency has remained stagnant in almost half of the countries that performed poorly in previous rounds of the Open Budget Index. Of the 59 countries for which comparable data are available and that provided inadequate budget information in 2008 (i.e., countries with OBI scores of 60 points or less), just under half (28 countries) continue to perform more or less at the same level in 2012, or have scores that are considerably lower.<sup>12</sup> These 28 countries represent a spectrum of the world and include European countries like Macedonia and Ukraine, Middle Eastern countries like Jordan and Yemen, Latin American countries like Venezuela and Costa Rica, African countries like Cameroon and Nigeria, and Asian countries like Nepal and Fiji. It also includes wealthy countries like Saudi Arabia and Equatorial Guinea; middle-income countries like Argentina and Malaysia; and lower-income countries like Ghana and Bolivia. (See Annex B.)

Eighteen of the 59 countries did improve their OBI scores between 2008 and 2012 by 10 or more points. Still, only seven countries (Bulgaria, Croatia, India, Indonesia, Mexico, Russia, and Uganda) managed to break into the group scoring 61 and above, and thus can be characterized as providing significant budget information to their citizens.

All this indicates that a large number of countries are stuck at unacceptably low levels of budget transparency. They are not making the necessary effort to publish more (and more detailed) budget documents, and, therefore, they are not further enabling citizens who are trying to hold governments accountable.

## Changes in OBI Scores from 2010 to 2012

Looking specifically at changes from 2010, there continue to be some encouraging findings. (See Annex B for data for each of the 93 comparable countries.) Among these countries, from 2010 to 2012:

- The average OBI score rose from 43 to 45.
- The number of countries providing significant or extensive budget information to their citizens (i.e., those with an OBI score of 61 or higher) grew from 20 to 23, while the number of countries providing minimal to no information at all (i.e., those with an OBI score of 40 or less) decreased from 40 to 34.
- Seven countries, from various parts of the world, improved their budget transparency dramatically in this period, with their OBI scores each increasing by more than 15 points. These countries are Afghanistan, Burkina Faso, the Dominican Republic, Honduras, Mozambique, Pakistan, and São Tomé e Príncipe.

Even more so than was true during the 2006 to 2012 period, the nature of changes over the past two years depended heavily on how transparent the countries were in their budgeting to begin with. On average, budget transparency advanced significantly among the least transparent countries from 2010 to 2012. However, on average, among countries which had provided just some information, or had provided significant information or more, budgets became a little less transparent in 2012. Within the comparable countries:

- Among the 40 countries whose OBI scores were 40 or less in 2010, the average OBI score rose from 19 in 2010 to 26 in 2012, representing a substantial increase in a two-year period.

12. Specifically, in 22 of these countries, scores remained within plus or minus five points in 2012 compared with 2008. A fluctuation within this range is not considered to be particularly significant. In six countries scores fell by more than five points.  
13. Specifically, the average ticked down by 0.3 points.

- Among the 33 countries whose OBI scores were between 41 and 60 in 2010, the average OBI score remained essentially the same in 2012.<sup>13</sup> The stagnation in these countries that do not yet provide enough budget information for a full debate and adequate oversight is troubling.
- Among the 20 countries whose OBI scores exceeded 60 in 2010, the average OBI score fell slightly, by about one point, in 2012.

There are also five new examples of countries which dramatically decreased the amount of budget information they provide to the public. This indicates that improvements in budget transparency remain tenuous, often lacking sustainability and institutionalization. Governments can and do backslide on their transparency commitments, especially when the publication of budget documents is not a matter of regular procedure.

Table 6 summarizes the findings on the countries in which dramatic changes in budget transparency occurred over the

past two years and the main reasons for such changes. Some of the stories of the best performers are detailed later in this chapter.

## Changes in the Publication of Documents from 2010 to 2012

A similar story of advances and backsliding emerges when looking at the publication of specific budget documents (see Table 7). The net change in the publication of documents between 2010 and 2012 by the 93 countries with comparable data is positive. These countries publish more budget documents across all stages of the budget cycle, with the greatest increases in the publication of Pre-Budget Statements, Citizens Budgets, and Audit Reports. Year-End Reports are the only exception to this positive trend. Although five countries that were not publishing a Year-End Report in 2010 have now begun to publish one, eight other countries that were previously publishing this report are no longer doing so.

**Table 6. Greatest improvers and worst performers in budget transparency, 2010-2012**

### Greatest Improvers

Country	OBI 2010	OBI 2012	Change	Main Reasons for Change
Honduras	11	53	+42	Began publishing all eight key budget documents.
Afghanistan	21	59	+38	Published for the first time the Pre-Budget Statement, the Executive's Budget Proposal, and the Citizen Budget.
São Tomé e Príncipe	0	29	+29	Published for the first time the Executive's Budget Proposal and In-Year Reports.
Pakistan	38	58	+20	Significantly increased the comprehensiveness of the Green Book, a supporting document to the Executive's Budget Proposal
Mozambique	28	47	+19	Published the Pre-Budget Statement and In-Year Reports in a timely way, and increased the comprehensiveness of the Executive's Budget Proposal.
Burkina Faso	5	23	+18	Published online for the first time the Executive's Budget Proposal and the Pre-Budget Statement on the Ministry of Finance website, previously not publicly available in any form.
Dominican Republic	14	29	+15	Published for the first time the Executive's Budget Proposal on the Senate's website.

### Worst performers

Country	OBI 2010	OBI 2012	Change	Main Reasons for Change
Egypt	49	13	-36	Executive's Budget Proposal and Mid-Year Review were not publicly available at the time of research.
Zambia	36	4	-32	Executive's Budget Proposal and Year-End Report available only upon payment of a high fee, and therefore considered not available to the public.
Sri Lanka	67	46	-21	No longer producing a Pre-Budget Statement, which was previously produced; published In-Year Reports late.
Serbia	54	39	-15	No longer producing a Pre-Budget Statement, and publishes a less comprehensive Executive's Budget Proposal.

**Table 7. Changes in the publication of budget documents\***

Document	Year	Number of Countries Publishing Document	Who started publishing?	Who stopped publishing?
Pre-Budget Statement	2010	33	Afghanistan, Albania, Botswana, Burkina Faso, Czech Republic, Ecuador, Fiji, Germany, Guatemala, Honduras, Kazakhstan, Liberia, Mozambique, Portugal, Romania, Senegal, Slovenia, Tanzania, Vietnam	El Salvador, Rwanda, Serbia, Sri Lanka, Turkey, Zambia
	2012	46		
	<b>Net Change</b>	<b>13</b>		
Executive's Budget Proposal	2010	72	Afghanistan, Algeria, Burkina Faso, Democratic Republic of Congo, Dominican Republic, Honduras, Kyrgyz Republic, São Tomé e Príncipe	Egypt, Yemen, Zambia
	2012	77		
	<b>Net Change</b>	<b>5</b>		
Enacted Budget	2010	81	Fiji, Iraq, Liberia, Malawi, Nepal, Tanzania, Timor Leste	Senegal
	2012	87		
	<b>Net Change</b>	<b>6</b>		
Citizens Budget	2010	16	Afghanistan, Botswana, Brazil, Guatemala, Honduras, Indonesia, Italy, Kazakhstan, Kenya, Mali, Mexico, Morocco, Slovakia, Tanzania, Thailand	Democratic Republic of Congo, Malawi, Nigeria, Rwanda, Sri Lanka
	2012	26		
	<b>Net Change</b>	<b>10</b>		
In-Year Reports	2010	71	Angola, Cameroon, Ghana, Mali, Mozambique, Pakistan, São Tomé e Príncipe	Burkina Faso, Georgia, Namibia, Sri Lanka
	2012	74		
	<b>Net Change</b>	<b>3</b>		
Mid-Year Review	2010	28	Bangladesh, Bulgaria, Czech Republic, Honduras, Malawi, Mozambique, Romania, Serbia	Afghanistan, Costa Rica, Egypt, Macedonia, Mali, Sri Lanka, Zambia
	2012	29		
	<b>Net Change</b>	<b>1</b>		
Year-End Report	2010	72	Burkina Faso, Indonesia, Iraq, Nigeria, Pakistan	Albania, Georgia, Ghana, Malawi, Mali, Philippines, Timor Leste, Zambia
	2012	69		
	<b>Net Change</b>	<b>-3</b>		
Audit Report	2010	60	Argentina, Bulgaria, Cameroon, Colombia, Honduras, Malawi, Morocco, Pakistan, Papua New Guinea, Serbia, Slovakia	Afghanistan, Liberia, Rwanda, Senegal, Thailand
	2012	66		
	<b>Net Change</b>	<b>6</b>		
<b>Total</b>	<b>2010</b>		<b>2012</b>	<b>Net Change</b>
		<b>433</b>		<b>41</b>
			<b>474</b>	

\*The table presents results only for the 93 countries included in both the 2010 and 2012 Surveys.

For certain documents, the publications gap has closed considerably. As an example, the 2010 Survey reported that there were 21 countries that did not publish the Executive's Budget Proposal. The 2012 Survey reports that, on net, five more of these countries publish this document, closing nearly one quarter of the publications gap.<sup>14</sup>

From 2010 to 2012 the aggregate number of budget documents being published in these 93 comparable countries increased by 41. Of these documents, 22 had previously been produced for the governments' internal use only and are now being made publicly available, while 19 budget documents were produced and published for the first time.

This progress is laudable, but from a certain perspective is too slow. There are still 131 budget documents that the 100 surveyed governments are currently producing for internal purposes but withholding from the public. All of these

documents should be made public immediately. There are also 178 budget documents not even being produced by these countries. If the combined pace of progress continues at something like 40 additional documents being published every two years, it would take nearly a decade and a half for the document gap to be closed.

Further, while on balance a larger number of budget documents are being published, for all types of documents there have been cases of governments making public access to budget information more difficult, by suspending publication, delaying it beyond acceptable limits, or making it too expensive to obtain copies of relevant documents. This again is proof that despite average improvements, budget transparency cannot be taken for granted.

14. Though five of the countries that did not publish the Executive's Budget Proposal in 2010 did make this document available in 2012, five of the new countries that were added to the 2012 Survey did not, so the number of countries not publishing the Executive's Budget Proposal remains at 21.

## Countries with the Greatest Changes in Transparency

This section offers short case studies of two countries, and one part of the world, in which budget transparency recently advanced considerably, with an eye toward teasing out some general lessons. This section also provides modest elaboration on certain countries where budget transparency diminished significantly.

### Countries that improved

Among the countries that saw a significant improvement in their levels of budget transparency in recent rounds of the Open Budget Survey, two stand out: Honduras and Afghanistan. Countries in Francophone West Africa also made considerable improvements in budget transparency, especially considering their poor historical performance on the OBI. A closer look at these cases shows how a number of different actors and factors played a role in encouraging greater budget transparency across these countries, and how both domestic factors and external pressure are — in different degrees and combinations — at the core of these improvements.



In previous rounds of the Survey, the Honduran government provided little to no budget information to its citizens. In 2010 it published only the Enacted Budget and In-Year and Year-End Reports. Since then, the Ministry of Finance has started publishing all eight key budget documents, providing a clear example of how significant change is possible in a very short timeframe. This was the case in Honduras (as in many other countries) as the government already produced most of the budget documents for internal use. All that was required was a decision to publish them. The result: a 42-point increase that brought Honduras' OBI 2012 score to 53.

A combination of internal changes and external pressure contributed to this positive trajectory. After a political crisis in 2009, during which donors had suspended financial assistance to the government, Honduras was in a very troubled financial situation and in dire need of foreign aid. Given donors' increasing attention to governance and accountability reforms, the Honduran government began to focus on improving its financial management practices, including

making the budget more transparent. It undertook these efforts in order to secure a steady flow of foreign assistance, reduce the fiscal deficit, and tackle development problems more effectively. In addition, the new government needed to establish its legitimacy with the international community, and so embarking on a reform path was seen as a good way to improve the country's image.

There was no official government reaction to the release of the Open Budget Survey 2010, when Honduras received the low OBI score of 11. The results, however, were disseminated widely (through press conferences, television presentations, and other events), primarily by civil society advocates for budget transparency and accountability. This caught the attention of both government and donors, who took note of the results as well as the recommendations. The 2010 Survey results became a yardstick for budget transparency in the country, and a guide for how to improve.<sup>15</sup> When the renewal of the U.S. Millennium Challenge Corporation (MCC) "compact" with Honduras — funding to support infrastructure projects and rural development — was being discussed in early 2011, the MCC, along with the government, developed a new Policy Improvement Plan. The plan focused on improving the country's governance, public resource management, and fiscal transparency. Improvements in fiscal transparency would be measured using indicators from the Open Budget Survey and the Public Expenditure and Financial Accountability (PEFA) framework.

An interagency commission was set up under the coordination of the President's office to draw up a plan to improve fiscal transparency and management by focusing on eight indicators (Honduras' Open Budget Index score being one of them). In addition, the Ministry of the Presidency requested technical assistance from the IBP on how to include the key 2010 OBI recommendations in its plans. Staff members from the IBP's Mentoring Governments program provided training to public officials and assisted the relevant parts of the government in implementing the required reforms, including by bringing government and local civil society organizations together to discuss budget transparency issues. The strong political will in favor of promoting transparency drove momentum in this area. Thus, even when the MCC decided against approving the second compact for Honduras, the government remained committed to implementing its plan to improve fiscal transparency and management. An additional external factor that likely played a role is Honduras' ambition to join the Open Government Partnership.

15. For example, the National Anti-Corruption Council of Honduras integrated the OBI into its training program as an indicator of governance. See: <http://www.cna.hn/archivos/CNA%20Indicadores.pdf>.

## Afghanistan



Afghanistan made its first appearance in the Open Budget Survey in 2008 and has made steady and impressive progress toward greater budget transparency since — more than doubling its OBI scores in each subsequent round for a total increase of 51 points. Changes that took place between the 2008 and 2010 rounds are described in the 2010 Survey report.<sup>16</sup> The remarkable leap in the most recent round is due to a series of steps that the government has taken since 2010. In particular, the government published the Pre-Budget Statement, the Executive’s Budget Proposal, and a Citizens Budget for the first time. The first two budget documents were previously produced for internal use but withheld from the public, so making them publicly available was a quick and easy step toward substantial improvement.

In exploring the factors that led the Afghan government to shift its focus toward budget transparency and achieve such impressive results, the political will of the leadership of the Ministry of Finance, as well as the government’s desire to improve its international image, again emerge as key factors. Donor organizations and international financial institutions also increasingly focused their attention on fiscal transparency as a means to reduce corruption in the country.<sup>17</sup> Their pressure, coupled with technical assistance provided to the Ministry of Finance, facilitated quick improvements. As part and parcel of these developments, civil society organizations and researchers have started engaging with the government, primarily through the Ministry of Finance, on budget-related issues, publishing budget analyses and organizing public awareness campaigns through the media, and conducting meetings and workshops to highlight the importance of budget transparency for citizen monitoring and government accountability.

Since 2010 the Open Budget Index has been used by both the government and international donors as a tool to assess Afghanistan’s progress and the impact of budget transparency reforms in the country. In 2010 donors committed to channeling up to 50 percent of their aid through the budget on the condition that the government make its budget more transparent and increase its spending capacity. In turn, in June of that same year, the government drafted a Public Financial Management (PFM) Roadmap focused on “strengthening the budget in driving effective delivery of key priority [development] outcomes; improving budget

execution; and increasing accountability and transparency.”<sup>18</sup> Further, in 2010 the Afghan government made a specific commitment to reach a target OBI score of at least 40, which its 2012 score of 59 far surpassed.

## Francophone West Africa

Francophone Africa also stands out for its recent progress on providing more budget information. Albeit still very low, the average OBI score for the countries in Francophone Africa that were included in both the 2010 and 2012 Survey has doubled (from 8 to 16 points). Numerous concrete actions were taken. In Burkina Faso — the country whose OBI score improved the most and which now has the second highest

**Table 8. OBI scores in Francophone West Africa, 2010-2012**

Country	OBI 2010	OBI 2012	Difference
Burkina Faso	5	23	+18
Democratic Republic of Congo	6	18	+12
Mali	35	43	+8
Cameroon	2	10	+8
Senegal	3	10	+7
Chad	0	3	+3
Niger	3	4	+1
<b>Regional Average</b>	<b>8</b>	<b>16</b>	<b>+8</b>

score in the region after Mali — the government published the Pre-Budget Statement and the Executive’s Budget Proposal for the first time, putting them on the Internet. In Cameroon the Court de Comptes has now released the complete series of Audit Reports from 2006 to 2010, and in Senegal a Pre-Budget Statement and monthly and quarterly execution reports have been released for the first time. A number of factors have contributed to these improvements. In 2009 the West African Economic and Monetary Union (WAEMU), which includes most Francophone West African countries, issued a directive on fiscal transparency aimed at improving the quality and dissemination of fiscal information in the region. Since then, countries in the region have been implementing measures to comply with this directive.

At the same time, civil society actors, often working with the IBP, have engaged with governments in the region to push for greater transparency of budget policies and processes. In January 2012 governments, civil society representatives, and donor agencies from Cameroon, Democratic Republic of Congo, Mali, Niger, and Senegal gathered in Dakar to

16. The Open Budget Survey 2010 report is available at <http://internationalbudget.org/what-we-do/open-budget-survey/full-report/>.

17. During the Kabul International Conference in July 2010, there was an emphasis on how the Afghan government was to take firm anticorruption measures. See the communiqué dated 20 July 2010 at <http://www.fco.gov.uk/resources/en/pdf/3052790/2010/Kabul-Communique-200710>.

18. Public Financial Management Roadmap (Government of Afghanistan, Ministry of Finance, 15 July 2010, p. 3), <http://mof.gov.af/Content/files/PFM%20Roadmap%20FINAL%2014%20July%202010.pdf>.

examine key trends and practices in fiscal transparency in the region and discuss issues identified in the Open Budget Survey 2010. Concrete steps to increase participation and transparency were agreed upon. Subsequently, certain governments adopted some of the measures identified. In the Democratic Republic of Congo budget transparency was enhanced by including civil society in budget reform discussions. In Niger the government started publishing previously withheld budget information (the Audit Report and the 2013 Executive's Budget Proposal). And despite the unexpected challenges due to the military coup of March 2012, the engagement of the Malian Ministry of Finance has continued, and the country's OBI score has kept going up.

### *Countries that worsened*

The examples above show that when the commitment of government is accompanied by other favorable factors and incentives, such as donor interventions, international standards, and civil society pressure and influence, significant improvements in budget transparency can occur in different parts of the world within short time periods. Unfortunately, however, recent developments demonstrate that under other circumstances, things can turn out very differently.

Beginning in early 2011, many countries in the Arab world experienced dramatic changes. Popular struggles for more democratic systems in Egypt, Libya, and Tunisia led to the overthrow of existing regimes. In other countries in the region, governments came under heavy pressure to introduce drastic reforms. In both Egypt and Yemen, the assessment period of the Open Budget Survey 2012 ran concurrent with the most turbulent political upheavals (August-December 2011). The institutions in charge of producing and publishing budget documents did not perform their mandate under these conditions, and this led to a drastic reversal of previous gains in budget transparency. In both countries the most important budget document, the Executive's Budget Proposal, was not published during the assessment period, despite the fact that it had been publicly available in 2010. In Egypt, it was kept for internal use, while in Yemen it was not even produced. These are clear examples of how fragile budget transparency gains are when political circumstances change, and how governments can arbitrarily suspend citizens' access to budget information.

## Progress, but to What Degree?

The evidence in this chapter points to great variation in how budget transparency has evolved over time in different countries. Average budget transparency scores have risen in nearly all parts of the world, and progress has been especially steady and significant among those countries where the least budget information had been provided. The progress, in part, results from more budget documents being published, albeit with insufficient details in too many cases.

On the other hand, many budget documents still are not made public even though they are produced by governments for their internal use. And, governments still do not even produce many budget documents.

Further, while some countries have seen dramatic improvements, brought about by a combination of government commitment and domestic and external incentives and pressure, others struggle to maintain hard-won gains, or linger in a budget transparency "limbo." It is also worth emphasizing that while many countries with a low starting point have improved budget transparency substantially, even these countries typically are still not providing significant amounts of budget information to their citizens.

This demonstrates that the battle for budget transparency will require a much greater national and global effort to ensure that the interest and commitment of governments to improving budget transparency is fostered and sustained over time.

INVOLVE  
COMMUNITIES  
IN DECISION  
MAKING!!!

CORRUPTION  
IS  
EVIL!!!

WHAT HAVE  
YOU DONE  
TO END  
CORRUPTION

OOH! THIS  
CORRUPTION  
IS

CORRUPTION  
HINDERS  
DEVELOPMENT

CHILDREN  
AGAINST  
CORRUPTION

CORRUPTION  
IS

ARE YOU  
CORRUPT  
FREE



Photograph courtesy of Uganda Debt Network



# CHAPTER 4

# PUBLIC PARTICIPATION IN THE BUDGET PROCESS

## Transparency Is not Sufficient to Enforce Accountability

As noted in the introductory chapter, most of the questions contained in the Open Budget Survey relate to the amount of budget information made available by governments; these questions make up the Open Budget Index. Access to budget data, however, is a necessary but insufficient condition to increase the level of accountability of governments for managing public money efficiently and effectively. For this to happen, transparency needs to be accompanied by meaningful opportunities for civil society and citizens to actively participate in budget decision making and monitoring, and by strong independent institutionalized oversight. Such issues make up the remainder of the Open Budget Survey. This chapter examines public participation in the budget process, including interactions between the public and government oversight institutions. The next chapter examines the strength of the two key independent oversight institutions – legislatures and supreme audit institutions (SAIs).

## How Is Public Participation Assessed in the Open Budget Survey?

The Open Budget Survey 2012 includes a new section on public participation in the budget process. Given the paucity of existing standards and guidelines on what constitutes “good practice” in public participation in national budgeting systems, the new section draws on guidelines for public engagement in the environmental management sector; the literature on local government budget processes; observations made by the IBP concerning emerging good practices; and consultations with experts and academics in the field. Some of the questions (e.g., those on public participation in legislative budget deliberations) were already part of

previous Open Budget Surveys; however, the 2012 Survey is the first in which public participation was assessed for all phases of the budget cycle. The questions are based on the following basic principles:

1. *Participation should occur throughout the budget process.* Public engagement should happen in all of the four stages of the budget cycle.
2. *Participation should occur with all parts of the government.* Public engagement should complement and support the roles of legislatures and SAIs in budget oversight and of the executive in budget formulation and execution.
3. *Participation should have a legal basis.* The government should be obligated under law or public policy to engage with the public during budget decision making, and it should not discriminate against individuals or communities in such engagement processes.
4. *The purposes for public engagement should be publicized in advance.* The government should clearly specify the scope of the consultation. It should also provide adequate notice of the consultation and make sufficient background information available in advance so that members of the public can participate in an informed manner.
5. *Multiple mechanisms for public engagement should be implemented.* The government should use appropriate forums at different points of time to obtain public inputs. It should also consider appropriate occasions for consultation for diverse segments of the public.
6. *The public should be provided with feedback on their inputs.* The government should publish reports that present

the inputs received from its public consultations and that explain how these inputs have been used in budget decisions, execution, and oversight.

## Though Good Practices Exist, Most Countries Provide Very Limited Opportunities for Public Engagement

Opportunities for public participation in the budget process are either limited or completely absent in most countries.

The average score received by the countries assessed on the 12 Survey indicators of public participation is 19 out of 100. This is much lower than the average OBI 2012 score of 43 out of 100, as well as the average scores discussed in the next chapter for the strength of legislative (52 out of 100) and SAI (69 out of 100) oversight.

The comparatively low public participation score indicates that while there is a growing consensus that transparency and independent oversight institutions are important

### Box 2. Public Engagement in South Korea

An interview with the Open Budget Survey 2012 researcher for South Korea

***South Korea is the best performer among the countries surveyed in 2012 on public engagement. Why do you think South Korea is so strong on participation?***

South Korea suffered from an economic crisis in 1997 after which the public began to demand a greater voice in budget decision making. This led both the executive and the legislature to compete positively and take steps to improve budget transparency in their respective branches of government, and to implement measures to include the public's voice in its budgeting decisions. The legislature established a budget office, which seeks public inputs on budgets.

***What are the mechanisms that the Ministry of Finance in South Korea has established to promote public engagement in the budget process?***

There are a wide range of measures that the Ministry of Finance takes to gather public opinion before developing its budget. These measures include field trips taken by officials from the finance ministry across the country to learn about realities on the ground and to gather information from local government officials responsible for implementing government programs at the frontlines. During these trips, officials hear from the recipients and beneficiaries of public programs. The Ministry of Finance also organizes public hearings on its proposed budget measures. For example, public hearings on the National Fiscal Management Plan focus on priority government programs, such as those on health and research and development, during which nongovernmental experts on these programs are invited to testify. The Ministry of Finance also consults with its Advisory Council on Fiscal Policy, which is composed of civil society representatives and officials from national and local governments, prior to drafting the guidelines for its budget bill. And, meetings are organized with local government officials to collect their opinions on grants and subsidy programs.

***What other factors and institutions contributed to the effectiveness of public engagement in the budget process in South Korea?***

The widespread coverage of Internet services across the country and the use of social media also enable the government to obtain views from citizens and for citizens to voice their opinions on budget measures. In addition, the Citizen Audit Request System in South Korea allows citizens to request special investigations by the national audit office into government programs that are particularly important or where malfeasance and inefficiencies abound. Hundreds of these special audits have already been carried out.

components of effective and accountable budget systems, the idea that citizens have a right to participate in the budget process, and that it is desirable for them to do so, is still far from consensual.

Only South Korea, with a score of 92 on participation, provides extensive opportunities for public engagement during all phases of the budget process (see Box 2). Sixteen countries receive scores between 34 and 66, which means they provide some opportunities for public participation at different points in the budget process (see Annex D). Several countries in this group — such as Brazil, France, New Zealand, Norway, Poland, Slovenia, South Africa, Sweden, the United States, and the United Kingdom — receive high OBI scores.<sup>19</sup> This demonstrates that there is plenty of room for improvement on public participation even in countries that do well on budget transparency.

The remaining 83 countries score 33 or below on the Survey's 12 public participation questions, and thus can be classified as providing only limited, or no opportunities at all, for the public to engage in the budget process. Eight of these countries (Benin, Cambodia, Chad, Equatorial Guinea, Iraq, Lebanon, Niger, and Qatar) receive scores of 0. In other words, citizens in these countries are completely shut out of budget discussions and monitoring. It is no surprise that these countries, except for Lebanon, also have OBI scores that place them in the bottom quintile.

Table 9 examines the 12 specific opportunities for public engagement that are assessed. In most instances, the majority of countries fail to provide these opportunities at all. The average scores on the questions range from a low of 4 to a high of just 32.

One critical question is whether the executive is required (formally or informally) to engage with the public during the budget process. About half of the countries surveyed have this requirement. In 42 of these countries, the executive has established mechanisms to identify the public's perspective on budget priorities, but in only 22 of these countries have mechanisms been established to enable the public to provide input on how the budget is executed.

In 28 countries the public is offered opportunities to testify during legislative budget hearings on the macroeconomic and fiscal framework presented in the budget. In 32 countries, public testimony is heard by a legislative committee on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies).

In 42 countries supreme audit institutions have established mechanisms for engaging the public in formulating their audit programs (by identifying the agencies, programs, or projects that should be audited) or in conducting audit investigations (as respondents, witnesses, and so forth). In addition to making their reports publicly available, 29 SAIs also maintain other forms of communication with the public regarding its audit reports.

Overall, the Survey finds that even in those countries in which opportunities exist for the public to participate in the budget process, members of the public are rarely informed about how their contributions are used.

These findings will come as no surprise to civil society organizations that struggle daily against unresponsive governments. There is no doubt that executives, legislatures, and supreme audit institutions all over the world can do much more to involve the public throughout the budget process. The good news is that, as shown below, there are a number of promising examples from countries in which such practices are being pioneered. If anything, these examples show that providing opportunities for public participation is realistic and can be undertaken by any government. In addition, the examples indicate that it is not necessary for countries to first expand budget transparency before introducing mechanisms for public engagement in budgets — as demonstrated most starkly in the case of Philippines, which has introduced promising mechanisms for public engagement. Ideally, improvements should be made in both areas simultaneously.

## Emerging Good Practices on Public Engagement

In addition to the South Korean example, several countries are pioneering mechanisms for increasing public engagement in budgeting. These include:

- Trinidad and Tobago, where the Ministry of Finance uses several mechanisms to gather input from and respond to the public, including holding “post-budget forums” where key focus groups (agriculture, youths, etc.) are able to give their perspectives on the budget; allowing all members of the public to call or send text messages to the Minister of Finance; and sharing this information through Facebook, in addition to the ministry's website.<sup>20</sup>
- New Zealand, where individual government departments and agencies often seek public input on various aspects of budget implementation and service delivery.

19. The six other countries are Colombia, Croatia, Georgia, Ghana, Kenya, and the Philippines.  
20. Available at: <http://www.finance.gov.tt/services.php?mid=226>.

**Table 9. The Open Budget Survey 2012 finds much room for expanding public participation throughout the budget cycle**

Average Score Received by 100 Countries	Indicators/Questions in the Open Budget Survey	Best and Good Practice		Weak and Poor Practice	
		"A" (100 out of 100 points)	"B" (67 out of 100 points)	"C" (33 out of 100 points)	"D" (0 out of 100 points)
24	Question 114. Is the executive formally required to engage with the public during the budget process?	5 countries (Romania, Russia, South Korea, Ukraine, Venezuela)	12 countries (Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Cameroon, Ghana, Kenya, New Zealand, Philippines, Rwanda, Sierra Leone, Vietnam)	34 countries	49 countries
14	Question 115. Does the executive clearly, and in a timely manner, articulate its purpose for engaging the public during the budget formulation and execution processes?	3 countries (Philippines, South Korea, United Kingdom)	5 countries (Malawi, New Zealand, Sierra Leone, South Africa, Ukraine)	24 countries	68 countries
20	Question 116. Has the executive established practical and accessible mechanisms to identify the public's perspective on budget priorities?	4 countries (Malawi, Norway, Sweden, Trinidad and Tobago)	9 countries (Botswana, Brazil, Ghana, New Zealand, Nigeria, Philippines, South Korea, Tunisia, Ukraine)	29 countries	58 countries
11	Question 117. Has the executive established practical and accessible mechanisms to identify the public's perspective on budget execution?	3 countries (New Zealand, South Korea, Sweden)	4 countries (Dominican Republic, Ghana, Norway, Philippines)	15 countries	78 countries
4	Question 118. Does the executive provide formal, detailed feedback to the public on how its inputs have been used to develop budget plans and improve budget execution?	None	4 countries (Algeria, New Zealand, South Korea, United Kingdom)	4 countries	92 countries
28	Question 119. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?	5 countries (Germany, Kenya, South Africa, South Korea, United States)	23 countries (Bulgaria, Croatia, Czech Republic, Dominican Republic, Georgia, Ghana, Italy, Jordan, Kyrgyz Republic, Mozambique, Nigeria, Norway, Pakistan, Philippines, Poland, Russia, Rwanda, Slovenia, Spain, Timor-Leste, Uganda, United Kingdom, Zimbabwe)	24 countries	48 countries
32	Question 120. Do legislative committees hold public hearings on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies) in which testimony from the executive branch is heard?	14 countries (Burkina Faso, France, Georgia, Ghana, India, Kenya, Philippines, Poland, Nigeria, Senegal, Slovenia, South Africa, South Korea, United States)	15 countries (Albania, Bulgaria, Costa Rica, Croatia, Czech Republic, El Salvador, Italy, Mali, New Zealand, Portugal, Rwanda, Slovakia, Timor-Leste, United Kingdom, Yemen)	25 countries	46 countries
15	Question 121. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies) in which testimony from the public is heard?	3 countries (Slovenia, South Africa, United States)	7 countries (Croatia, Georgia, Nigeria, Norway, Rwanda, South Korea, Timor-Leste)	22 countries	68 countries
25	Question 122. Do the legislative committees that hold public hearings release reports to the public on these hearings?	14 countries (Colombia, France, Germany, Italy, Poland, Portugal, Russia, Slovenia, Spain, South Africa, South Korea, Sweden, United Kingdom, United States)	12 countries (Argentina, Bulgaria, Burkina Faso, Croatia, Czech Republic, Georgia, Kenya, Macedonia, New Zealand, Rwanda, Timor-Leste, Zambia)	8 countries	66 countries
24	Question 123. Does the supreme audit institution (SAI) maintain formal mechanisms through which the public can participate in the audit process?	9 countries (Brazil, Colombia, Mexico, Peru, Slovakia, Slovenia, Sweden, South Korea, United Kingdom)	11 countries (Argentina, China, Costa Rica, Dominican Republic, Ecuador, Georgia, Germany, Norway, Philippines, Poland, United States)	22 countries	58 countries
29	Question 124. Does the SAI maintain any communication with the public regarding its audit reports beyond simply making these reports publicly available?	29 countries (Argentina, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Czech Republic, Ecuador, France, Georgia, Honduras, Indonesia, Mexico, Mongolia, Nepal, New Zealand, Norway, Poland, Slovakia, Slovenia, South Africa, South Korea, Sweden, Ukraine, United Kingdom, United States, Vietnam)	All of the remaining 71 countries surveyed		
8	Question 125. Does the SAI provide formal, detailed feedback to the public on how their inputs have been used to determine its audit program or in audit reports?	3 countries (Colombia, Slovenia, South Korea)	5 countries (Dominican Republic, Honduras, Malaysia, Norway, Poland)	6 countries	86 countries

They collect information from client surveys, hold public consultations before the government publishes statements and rulings, and maintain hot links on the Inland Revenue website for “public consultation,” “feedback,” “report tax evasion or fraud anonymously,” and “complaints.”

- Botswana has introduced a promising initiative that uses an innovative “budget pitso” (or consultation forum) system to enable the public to be part of budget formulation. This “pitso” has its origins in the community participation “kgotla” system, which is one of the oldest forms of public participation in governance in the world.<sup>21</sup>

In some countries, legislatures hold exemplary public hearings on the budget during which testimony from the executive branch and the public is heard:

- In Kenya the constitution stipulates that a committee from the National Assembly should seek participation from the public to discuss and review the budget. The Kenyan Parliament Budget Committee held public hearings for the first time in 2011 to discuss macroeconomic assumptions and forecasts, taxes, and expenditures. The executive was represented by county-level officers, and the meetings were open to the public. To invite the public to the meetings and enhance participation, the committees put paid advertisements in leading newspapers and made announcements on targeted community radio stations.<sup>22</sup>
- In Germany the parliament’s budget committee holds public hearings in which testimony from economists, trade associations, labor unions, employer federations, and civil service employee associations, among others, is heard. The budget committee determines the focus of these talks.<sup>23</sup>
- The South African Money Bill Amendment Procedure and Related Matters Act requires parliament to hold public hearings on the fiscal framework and revenue proposals. Interested parties are invited to make oral presentations during the hearings.<sup>24</sup>

Finally, there are countries where the supreme audit institution maintains innovative mechanisms through which the public can participate in the audit process:

- The Indonesian SAI holds consultative meetings with the public and conducts surveys to better understand public priorities for new audits. TV programs, printed media, and institutional magazines are used as channels to disseminate important audit findings.
- The Philippines has developed a comprehensive “fraud alert” system that is accessible through its SAI’s website. It also includes an annual summary of fraud complaints received by the SAI, stating the agency involved, subject of allegation, date of receipt of the complaint, and the action taken by the SAI. The Philippines SAI’s Fraud Alert can be found on the Internet at: <http://bit.ly/TIk9HI>.
- In Colombia the SAI deems public participation to be a critical pillar against corruption. In this vein, the SAI provides workshops to train nongovernmental organizations and raise awareness about the budget auditing process. Civil society organizations and staff from the Colombian SAI jointly draft a detailed plan, deciding what will be subject to audit, and whether there will be special topics or cases; civil society is then pulled in to follow up on the recommendations highlighted in the audit.<sup>25</sup>

21. See [http://www.finance.gov.bw/index.php?option=com\\_content1&parent\\_id=334&pparent=336&id=375](http://www.finance.gov.bw/index.php?option=com_content1&parent_id=334&pparent=336&id=375).

22. More information on this can be found at <http://www.parliament.go.ke/>.

23. <http://www.bundestag.de/bundestag/ausschuesse17/a08/anhoerungen/index.html>.

24. More information on this can be found at <http://www.parliament.gov.za/content/23422%20PARLIAMENT.pdf>.

25. More information about these examples can be found at <http://iniciativatpa.org/>.

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Photograph courtesy of the National Campaign for Dalit Human Rights, India

# CHAPTER 5

## THE ROLE OF OVERSIGHT INSTITUTIONS

Several examples presented in this report demonstrate the important role that civil society can play in improving the efficiency and effectiveness of government budgets. Well-informed and active citizens, however, cannot replace the fundamental role of oversight institutions in the budget process. While civil society organizations can provide useful connections with communities and constituencies and can bring important skills and contributions to budget decision making and oversight, they are no substitute for formal institutions that have the authority and capacity to provide sustained and systematic budget oversight.

### Legislatures

Legislatures play a critical role in the management of public finances. As part of their budget decision-making responsibilities, legislatures approve the national budget and subsequently provide oversight as the executive implements the budget. The Open Budget Survey 2012 includes an expanded section focused on legislative strength. Four new

questions have been added to the Survey questionnaire from previous rounds, and existing questions were revised to obtain a more accurate and comprehensive assessment of the role of legislatures during the budget process, and of the effectiveness of their oversight of government policies.<sup>26</sup> Given these changes, scores for legislative strength in this round cannot be compared with previous rounds of the Open Budget Survey.

The aspects of legislative oversight examined include the legislature's:

- involvement in the budget process prior to the submission of the Executive's Budget Proposal;
- access to research and analytic capacity;
- amendment powers and the time it has to discuss those amendments before approving the budget proposal; and
- powers to approve shifts of funds during budget implementation, supplemental budgets, and contingency funds.

**Table 10. Only one-fifth of surveyed countries' legislatures lack adequate powers or capacity to perform their oversight role<sup>27</sup>**

Strength	Number of Countries	List of Countries
<b>Strong (67-100)</b>	<b>31</b>	Burkina Faso, Chile, Colombia, Costa Rica, Croatia, Czech Republic, France, Georgia, Germany, Ghana, Honduras, India, Indonesia, Italy, Kazakhstan, Mali, Mongolia, Nigeria, Norway, Russia, Rwanda, Slovenia, South Africa, South Korea, Sweden, Thailand, Trinidad and Tobago, Uganda, Ukraine, United States, Vietnam
<b>Moderate (34-66)</b>	<b>49</b>	Afghanistan, Albania, Azerbaijan, Bangladesh, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Cambodia, Chad, Democratic Republic of Congo, Dominican Republic, Ecuador, Egypt, El Salvador, Guatemala, Iraq, Jordan, Kenya, Kyrgyz Republic, Lebanon, Liberia, Macedonia, Malawi, Malaysia, Mexico, Mozambique, Nepal, New Zealand, Nicaragua, Niger, Pakistan, Papua New Guinea, Peru, Philippines, Poland, Portugal, Romania, São Tomé e Príncipe, Serbia, Slovakia, Spain, Sri Lanka, Tajikistan, Tanzania, Timor-Leste, United Kingdom, Venezuela
<b>Weak (0-33)</b>	<b>20</b>	Algeria, Angola, Argentina, Bulgaria, Cameroon, China, Equatorial Guinea, Fiji, Morocco, Myanmar, Namibia, Qatar, Saudi Arabia, Senegal, Sierra Leone, Tunisia, Turkey, Yemen, Zambia, Zimbabwe

26. Four indicators that were used to assess the strength of legislative oversight in previous rounds of the Open Budget Survey are now being used to assess opportunities for public participation in budgets.

27. The OBI disaggregates the countries surveyed into quintiles based on each country's OBI score. Because there are 95 questions used to calculate the OBI, there is enough data on each country's level of transparency to disaggregate the countries across this number of categories with confidence. In contrast, the scores for strength of legislatures and SAls and opportunities for public participation are based on the responses to 12 or fewer questions for each indicator, which is not enough information to support more than three categories.

Table 10 presents the distribution of the countries' performance on legislative strength, showing that, at least in theory, the majority of the countries surveyed have legislatures with moderate to strong powers and capacity to actively engage in the budget process and fulfill their oversight responsibilities. The average score for legislative strength is 52 out of 100 (see Annex D for the legislative strength scores for all countries).

Table 10 shows that 31 countries score 67 or better when it comes to legislative strength, and only 20 countries score 33 or less. This somewhat positive combination, however, hides significant limitations faced by many legislatures in fulfilling their duties. The 2012 Survey finds that:

- In 70 percent of the countries surveyed the executive holds very limited consultations or no consultation at all with the legislature during the formulation of the budget.
- Legislatures in 29 countries received the Executive's Budget Proposal less than six weeks before the beginning of the budget year. In eight of these countries, the budget proposal is either submitted to the legislature only after the start of the fiscal year, or not at all. In other words, many legislatures do not have enough time to adequately examine and decide upon the budget proposal.
- In half of the countries surveyed legislators have to rely on either understaffed research offices or external researchers to inform their deliberations; in another 26, legislatures have no access to any research capacity whatsoever. Inevitably, this absence of independent analysis limits legislators' ability to engage with the budget process in a meaningful or effective way, especially when considering the Executive's Budget Proposal and possible amendments.

Further, legislatures face similar serious limitations on their ability to perform an adequate oversight role during budget implementation. In about half of the countries surveyed, the budget that is approved by the legislature can be transformed by the executive during execution by redistributing resources from ministry to ministry or from item to item, or by allocating additional revenues and contingency funds, all without seeking legislative approval. This leads to executed budgets that look very different from those originally approved, undermining transparency and accountability. The Survey finds:

- In 30 countries the executive does not have to seek permission from or notify the legislature to shift funds between administrative units.
- In more than one-third of the countries surveyed (36), the executive can use excess revenue that may become available during the budget year without seeking legislative approval or notifying the legislature about the expenditures made from these funds.
- In 32 countries either supplemental budgets are approved after the enacted funds are expended, or the executive implements supplemental budgets without ever seeking approval from the legislature.
- In 45 countries contingency funds can be spent without seeking legislative approval.

Although legislative oversight in the majority of the 100 countries surveyed is moderately strong, the biggest concern from the Survey results is the fact that 16 of the 20 countries that receive average scores of less than 34 out of 100, which means that they have weak legislative oversight of budgets, also perform poorly on budget transparency (these countries are in the bottom two quintiles of the Open Budget Index 2012). The problems associated with lack of budget transparency are compounded by weak legislative oversight in these countries. In contrast only six countries (Burkina Faso, Nigeria, Rwanda, Thailand, Trinidad and Tobago, and Vietnam) that are weak on budget transparency have strong legislative oversight of budgets.

## Supreme Audit Institutions

Good practice guidelines on public financial management recommend that all countries establish and empower a body independent of the executive to scrutinize the use of public funds; this body is generally referred to as the supreme audit institution (SAI). Thus, in addition to the legislature, the SAI is the second institution with formal budget oversight functions.

Although the powers of SAIs can differ from country to country, these institutions are expected to conduct annual financial audits to assess whether the executive has implemented the national budget according to the legislature's directives. In some countries, particularly those that follow the French system of government, SAIs have powers to directly sanction the executive for wrongdoings. Generally, SAIs submit their audit reports to national legislatures that in turn



**Table 11. Almost two-thirds of countries have strong independent audit offices**

Strength	Number of Countries	List of Countries
<b>Strong (67-100)</b>	<b>64</b>	Afghanistan, Albania, Argentina, Bangladesh, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Croatia, Czech Republic, Dominican Republic, El Salvador, France, Georgia, Germany, Ghana, Guatemala, Honduras, India, Indonesia, Iraq, Italy, Kenya, Liberia, Macedonia, Malaysia, Mali, Mexico, Mongolia, Namibia, Nepal, New Zealand, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Portugal, Romania, Russia, Rwanda, Serbia, Sierra Leone, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Tajikistan, Tanzania, Thailand, Timor-Leste, Uganda, Ukraine, United Kingdom, United States, Vietnam, Yemen
<b>Moderate (34-66)</b>	<b>22</b>	Algeria, Benin, Burkina Faso, Cambodia, Chad, Democratic Republic of Congo, Ecuador, Egypt, Kyrgyz Republic, Lebanon, Malawi, Nicaragua, Niger, Papua New Guinea, São Tomé e Príncipe, Saudi Arabia, Senegal, Sri Lanka, Trinidad and Tobago, Turkey, Venezuela, Zambia
<b>Weak (0-33)</b>	<b>14</b>	Angola, Azerbaijan, Cameroon, China, Equatorial Guinea, Fiji, Jordan, Kazakhstan, Morocco, Mozambique, Myanmar, Qatar, Tunisia, Zimbabwe

use the recommendations to hold the executive to account. The Open Budget Survey 2012 includes a more tailored section on SAI strength than was used in the earlier Surveys. The 10 indicators used in previous rounds to assess the strength of SAI oversight on budgets have now been reduced to four indicators. Four of the old indicators are now being used only to assess the quality and comprehensiveness of published Audit Reports, one is being used in the assessment of legislative strength, and one is in the section measuring opportunities for public participation.

With an average score of 69 out of 100, most countries surveyed perform reasonably well in terms of the strength of their SAIs (see Annex D). Only 14 of the 100 countries surveyed in 2012 are included in the “weak” category, while 64 countries scored 67 or more out of 100, placing them in the “strong” category (see Table 11). As with legislatures, the Survey measures the strength of SAIs by looking at their independence (who has the power to determine the SAI’s budget, remove its head official, and shape its agenda), and their capacity in terms of the number and skills of staff

members to carry out normal and specialized audits (such as audits of extra-budgetary funds or of the security sector). The results for individual countries are not surprising. New Zealand and the Scandinavian countries receive top marks for all four SAI strength indicators, as expected given their strong institutional and democratic histories. Cameroon, Equatorial Guinea, Fiji, Jordan, Mozambique, Myanmar, and Qatar, in contrast, score 0 on at least three of the four indicators.

It has been posited that a country’s legal origin is associated with a stronger or weaker supreme audit body. However, the results of the Survey on the SAI strength indicators find strong audit institutions in countries that belong to each of the categories of different legal systems (British, French, German, Scandinavian, and Socialist), as shown by the high scores of Brazil, Chile, Georgia, Ghana, Norway, Poland, and Slovenia, among others. This mix of countries with high scores indicates that the legal system of a country does not seem to determine the strength of its supreme audit institution.

**Table 12. Indicators on Strength of SAIs**

Question/Indicator	“A” (100 out of 100 points)	“B” (67 out of 100 points)	“C” (33 out of 100 points)	“D” (0 out of 100 points)	“E” (Question is not applicable due to extraneous circumstances)
	Best and Good Practice		Weak and Poor Practice		
Question 90. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the supreme audit institution (SAI) can be removed from office?	76 countries			24 countries	
Question 92. Beyond the established year-end attestation audits, does the supreme audit institution (SAI) have the discretion in law to undertake those audits it may wish to?	66 countries	19 countries	9 countries	6 countries	
Question 93. Who determines the budget of the supreme audit institution (SAI)? And it’s the level of funding sufficient to fulfill its mandate?	43 countries	14 countries	30 countries	12 countries	1 country
Question 94. Does the supreme audit institution (SAI) employ designated staff to undertake audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?	43 countries	10 countries	7 countries	38 countries	2 countries

While Eastern Europe, South Asian, and Latin American countries present, on average, very strong external audit bodies, the Middle East and North Africa region has the lowest average score (40) for auditor strength. In most countries in the region, SAIs enjoy some level of independence on paper, in terms of which audits they may decide to undertake, but this is not enough to ensure that these institutions can effectively perform their oversight functions. This is because other important conditions necessary for effective oversight are often lacking, such as full independence from the executive, sufficient funding, and sufficiently trained and specialized staff. Iraq and Yemen are the exception to the poor performance in this region, both receiving scores of 67 on SAI strength.

Sub-Saharan Africa presents the second lowest average score (55), but it is possible to find good performers in this region, too: Botswana, Ghana, Kenya, Mali, and Rwanda all score above 80 for SAI strength.

As a result of reducing from 10 to four, the questions used to assess the strength of SAI oversight, the scores on SAI strength from this round cannot be compared with those scores reported in earlier rounds of the Survey. However, it is possible to “rescore” the findings from the 2010 Survey by basing the scores on the remaining four questions on SAIs. Using only the questions retained in the SAI section, the average score for the 93 countries for which data are available for both 2010 and 2012 rose from 68 to 71.

Although the overall results for SAI strength are good, the interrelationship between a particular country’s scores on the various parts of the Open Budget Survey is a large concern. Many countries with weak SAIs also display weaknesses in budget transparency and legislative oversight of budgets. Of the 14 countries with average scores of less than 34, which means that they have weak SAI oversight of budgets, 10 countries (Angola, Cameroon, China, Equatorial Guinea, Fiji, Morocco, Myanmar, Qatar, Tunisia, and Zimbabwe) also perform poorly on budget transparency (these countries have OBI scores that place them in the bottom two quintiles) and suffer from weak legislative oversight (these countries receive legislative strength scores of less than 34). That is, the budget systems of these 10 countries suffer from the triple whammy of weak auditors, little budget transparency, and weak legislators.

# CHAPTER 6

# CONCLUSIONS AND RECOMMENDATIONS

The average OBI 2012 score of 43 indicates that most countries currently do not provide sufficient amounts of information in their budget documents. This means that in 77 countries in the Survey, citizens and civil society organizations are unable to fully and effectively participate in decisions or hold government accountable for how it raises and spends their tax dollars.

The surveyed governments withhold 131 key budget documents that they have produced for their internal use (this is out of a total of 800 documents the 100 countries should be publishing to meet international standards). An additional 178 key documents are not even being produced. Many of the documents that are published lack important details on revenues, expenditures, and debt. The Survey finds poor performers in a wide spectrum of countries, including low-income countries, countries in Africa and the Middle East, countries that are dependent on foreign aid and hydrocarbon revenues, and countries with weak democracies.

The good news is that budget transparency scores are gradually increasing, especially among the worst performers. The average score received by the 40 countries whose OBI scores are comparable from 2006 to 2012 increased by more than one-fifth, with progress among those countries with little transparency to begin with rising by more than three-fifths. From 2010 to 2012, countries in Francophone Africa doubled their average scores and countries like Honduras and Afghanistan dramatically raised their performance.

In short, despite the tendency for countries with certain characteristics to lack budget transparency and accountability, counterexamples abound. The most important determinant of improved budget transparency is the political will of countries to improve.

Unfortunately, in far too many countries, this political will is lacking, or is erratic. Many countries are muddling along with insufficiently open budget processes. As one indication, from 2008 to 2012 only seven low-scoring countries (out of 59 countries) improved their OBI scores enough to now be classified as providing significant amounts of budget information to the public (with OBI scores above 60). In addition, in 2012 OBI scores dropped dramatically in four countries. The slow progress in many countries and regression in budget transparency in some countries means that at the current pace we are at least a generation away from achieving significant budget transparency in the vast majority of the world's countries. This could mean a generation of wasted opportunities and wasted resources.

The performance of countries on indicators assessing opportunities for public participation in budgeting is even worse than their performance on transparency. This report finds that executive, legislative, and supreme audit institutions all over the world can do much more to involve the public in all stages of the budget process. These institutions can learn from the few but promising examples of innovative practices that certain peers have developed to foster public engagement in budget decision making.

Budget oversight institutions (legislatures and supreme audit institutions) have, on average, subscores that are above those in the OBI or public participation indices, but nonetheless often face severe limitations, including scarce financial and human resources, and limited mandates and independence. Further, their actions are often hampered by the lack of mechanisms that enable them to follow up on their findings. It also bears repeating that countries with weak oversight institutions frequently are countries that have little budget transparency, a particularly unwelcome combination for their citizens.

This picture contrasts with the growing global consensus on the necessity of promoting more open government practices in order to improve both governance and development outcomes. Changes in the international context show growing interest in and emphasis on the importance of transparency and accountability in government action, as is reflected in a raft of new initiatives aimed at addressing some of the shortcomings identified by the Open Budget Survey 2012.

## National Governments Can Advance Reforms Easily, if They so Choose

The picture painted by the Survey results also contrasts with the ease with which countries can adopt more transparent and accountable budget systems, should they choose to do so. The message is clear — countries that fail to provide enough budget information to permit a full budget debate, that do not extend sufficient opportunities for public participation, and that lack strong institutional oversight institutions need to step up their reform efforts.

There is no justification for why individual governments cannot now meet basic standards of transparency and accountability. Best practices have been identified. Technical assistance is readily available. The direct costs of reforms typically are minimal; reforms often can be accomplished by simply placing existing documents on existing websites. Almost all countries have peers that have already advanced necessary reforms; there are models which can easily be adopted.

So if individual governments muster the political will to advance reforms, they can draw on existing practices and resources to soon achieve the following practical benchmarks.

- Countries in the bottom two categories of the OBI should ensure that at least a minimum set of budget documents, including the Executive's Budget Proposal, the Enacted Budget, the Audit Report, and the Citizens Budget, are published in a regular and timely manner, and that public hearings are held to disseminate budget information and to gather citizen views on budget policies. All countries can do this quickly and at limited cost.
- Countries in the middle category of the OBI should improve the comprehensiveness of existing budget documents, promote more effective means of citizen

engagement in budget processes, and ensure that legislatures and SAIs have the necessary resources to carry out their oversight function effectively. These countries should resolve to provide significant budget information as measured by moving their OBI scores above 60.<sup>28</sup>

- All countries should advance both fundamental and innovative participation mechanisms throughout the budget process.
- All countries should publish all their budget documents on the Internet in "machine-readable" formats, like an Excel spreadsheet, that facilitate analysis.

## What Different Actors Should Do

Individual country initiatives are more likely to occur, and to be successful, if they are encouraged and supported by the wide range of other actors with an interest in advancing budget transparency and accountability. A concerted effort by all stakeholders is thus most likely to generate needed reforms. The fact that some of the recommendations below are not new (i.e., they were included in previous Open Budget Survey reports) reflects the persistent challenges that civil society groups and other actors face in countries whose budget transparency practices still lag behind minimum international standards.

The various **multi-stakeholder coalitions** should ensure that governments around the world receive an emphatic and consistent message on the need to introduce reforms aimed at implementing more transparent and responsive budget practices.

- Multi-stakeholder efforts, such as the Open Government Partnership and the Global Initiative for Fiscal Transparency (GIFT), should commit the energy, resources, and influence to produce rapid and broad-based change and to the extent possible measure progress. These coalitions need to recognize that while there is now much global agreement over the principles of — and benefits from — budget transparency and accountability, this broad and sweeping agreement has not been met with commensurate governance improvements.
- The overall push for open budgets should be built into relevant international development agreements, such as the post-2015 development agenda and agreements on climate change adaptation and mitigation financing.

28. Countries in the top two categories of the OBI should actively lead and promote international initiatives aimed at improving budget transparency and participation globally, and ensure that areas of public finance that are not covered in the OBI, like procurement, are managed as transparently as the rest of the budget. The IBP has begun a research project to assess transparency in these issues through its "OBI Plus" project.

### **Legislatures and SAIs** should:

- use their existing powers more effectively and ensure that executives respect their mandate, role, and prerogatives; and
- seek to improve their collaboration with each other and with civil society organizations, which can provide them with resources and skills that they often lack.

### **Donor agencies** should:

- Harmonize their principles, guidelines, manuals, and assessment frameworks to ensure that the guidance that they provide to countries across the world reflects the growing consensus around the importance of budget and fiscal transparency for growth and development. The High-Level Principles developed by GIFT could provide a useful overall frame that the various other codes and guidelines could follow and define in further detail.
- Play a more active role in promoting budget transparency and accountability in countries that are heavily dependent on foreign assistance. Given their influence in these countries, donors should make sure that their interventions are supportive of transparency reforms, rather than shielding governments from domestic pressures. (The private sector, when investing in other countries, can play a similar and complementary role.)
- Establish clear benchmarks and incentives for recipient governments to open their budget processes. The examples of the European Union and the U.K. Department for International Development (UKAid) in this area should be followed by others.
- Incorporate transparency, public participation, and oversight components into their efforts, through training or technical assistance, to promote budget reforms and stronger governmental institutions.

### **Civil society organizations** should:

- Work together across sectors, redoubling their efforts to demand greater transparency from their governments, as well as formal spaces for public participation during the budget process.
- Work with other relevant actors (media, legislatures, audit institutions, donors) to create better incentives for governments to become more transparent.

- Take advantage of specific junctures that have been identified as providing opportunities to push for transparency reforms, like elections, fiscal crises, and corruption cases.
- Seek to collaborate internationally with other similar groups. The Global Movement for Budget Transparency, Accountability, and Participation can provide an interesting forum for mutual learning and joint activities. Such activities could include joint advocacy for reforms across countries with common issues and collaborative efforts to monitor progress on such reforms.

In addition, all actors should use the Open Budget Index as a tool to promote budget transparency and accountability. For example: governments can use it as a benchmark in their reform plans to set targets for improvements in budget transparency standards; donors can do the same in countries where their aid flows directly into the government's budget; and CSOs can advocate for identified specific reforms, such as the publication of a budget document already produced for internal use, or the inclusion of additional information in areas that the OBI highlights as opaque.

Taken together, the implementation of these recommendations could yield tremendous gains. Instead of what has been steady, but insufficient, progress, a greater level of national and international commitment could rapidly yield the establishment of transparent, accountable budget systems in nearly all of the countries in the world.

## Section 1: Implementing the Open Budget Survey 2012 and Calculating the Open Budget Index

The Open Budget Survey assesses the public availability of budget information and other budgeting practices that contribute to an accountable and responsive public finance system in countries around the world.<sup>29</sup> The majority of the Survey questions assess what occurs in practice, rather than what is required by law.

The Survey assesses the contents and timely release of eight key budget documents that all countries should issue at different points in the budget process, according to generally accepted good practice criteria for public financial management. Many of these criteria are drawn from those developed by multilateral organizations, such as the International Monetary Fund's (IMF) *Code of Good Practices on Fiscal Transparency*, the Organization for Economic Co-operation and Development's (OECD) *Best Practices for Fiscal Transparency*, and the International Organization of Supreme Auditing Institutions' (INTOSAI) *Lima Declaration of Guidelines on Auditing Precepts*. The strength of such guidelines lies in their universal applicability to different budget systems around the world and to countries with different income levels.

The Open Budget Survey covers additional topics of importance to civil society and proponents of good governance, including the extent to which the public can participate during each phase of the budget process, factors related to legislative strength and the role of the country's independent national audit office (also known as the "supreme audit institution").

The Open Budget Survey 2012 was a collaborative research process in which the IBP worked with civil society partners in 100 countries over the past two years. The 100 countries assessed in what is the fourth round of the Survey (earlier rounds were in 2006, 2008, and 2010) were selected to produce a sample that is representative across regions and income levels.

### The Open Budget Questionnaire

The results for each country in the 2012 Survey are based on the 125-question questionnaire that is completed by one researcher or group of researchers within an organization from the country. Almost all of the researchers responsible

for completing the Open Budget Questionnaire belong to either academic institutions or civil society organizations. Though the mandates and areas of interest of the research groups vary widely, all have a common interest in promoting transparent and responsive budgeting practices in their countries. Most of the researchers belong to organizations with a significant focus on budget issues.

Most of the 125 2012 Survey questions require researchers to choose from five responses. Responses "a" or "b" describe a situation or condition that represents good practice regarding the type of budget information (or budget practice) that the question assesses, with "a" indicating that the standard is fully met. Response "c" corresponds to minimal efforts to attain the relevant standard, while a "d" indicates that the standard is not met at all. An "e" response indicates that the standard is not applicable, for example when an OECD country is asked about the foreign aid it receives. Some questions, however, only have three possible responses: "a" (standard met), "b" (standard not met), or "c" (not applicable). Researchers are required to provide adequate evidence for each of their responses, and to supplement their answers with comments, clarifications, and links to relevant documentation.

Once completed, the questionnaire responses are quantified. For the questions with five response options, an "a" receives a numeric score of 100, a "b" receives 67, "c" answers get 33, and "d" responses are scored 0. Questions receiving an "e" are not counted as part of the country's aggregated scores. For the questions with three response options, the scores are 100 for an "a" response, 0 for a "b," and "c" responses are not included in the aggregated score.

### The research process

The researchers began collecting data for the 2012 Survey in August 2011 and completed the questionnaire for their country by December 2011. The Open Budget Survey 2012 assesses only events, activities, or developments that occurred up to 31 December 2011; any actions occurring after this date are not accounted for in the 2012 Survey results.

All responses to the Survey questions are supported by evidence, such as citations from budget documents; the country's laws; or interviews with government officials, legislators, or experts on the country's budget process.

29. The Open Budget Survey considers a document to be "publicly available" if it is: 1) published by the institution or agency responsible for producing them within a reasonable timeframe, and 2) available at minimal cost to any person who wants the document (i.e., the government must not make documents available selectively).

Throughout the research process, IBP staff members assisted the researchers in following the Survey methodology, particularly the guidelines for answering Survey questions. (See the *Guide to the Open Budget Questionnaire* at: <http://bit.ly/Wf4hdB>.)

Upon completion, IBP staff members analyzed and discussed each questionnaire with the individual researchers over a three- to six-month period. The IBP analysis sought to ensure that all questions were answered in a manner that was internally consistent for each country, as well as consistent across countries. The answers were also cross-checked against published budget documents and reports on fiscal transparency issued by international institutions, such as the IMF, World Bank, and the OECD.

The questionnaires were then reviewed by two anonymous peer reviewers who have substantial working knowledge of the budget systems in the relevant country. The peer reviewers, who were not associated with the government of the country they reviewed, were identified through searches of bibliographies, professional contacts, the Internet, and past IBP conference records.

IBP staff members reviewed peer reviewer comments to ensure that they were consistent with the study's methodology. Any peer reviewer comments that were inconsistent were removed, and the remaining comments then were shared with researchers. Researchers responded to comments from peer reviewers and their government, if applicable, and IBP editors refereed any conflicting answers in order to ensure the consistency of assumptions across countries in selecting answers.

The IBP also invited the governments of 95 of the countries surveyed to comment on the draft Survey results. The decision to invite a government to comment on the draft results was made after consulting with the relevant research organization responsible for the Survey. The IBP made a major effort to encourage governments to comment on the draft results; many governments that did not initially respond to IBP letters were contacted on five or six separate occasions. Of the 95 governments contacted by the IBP, 41 commented on the Survey results for their country. These comments can be seen in their entirety in the relevant questionnaires at <http://internationalbudget.org/what-we-do/open-budget-survey/country-info/>.

## The Open Budget Index

The Open Budget Index (OBI) assigns each country a score from 0 to 100 based on the simple average of the numerical value of each of the responses to the 95 questions in the questionnaire that assess the public availability of budget information. A country's OBI score reflects the timeliness and comprehensiveness of publicly available budget information in the eight key budget documents.

### Survey measures for oversight institutions and public participation

Of the 30 Survey questions that are not used to calculate the OBI, the majority assess the oversight capacity of legislatures and supreme audit institutions (SAIs), as well as the opportunities for public engagement during the budget process. To gain an overall sense of the "strength" of each of these institutions and the level to which governments include the public in budget decision making and monitoring, the responses to the questions on each — legislatures, SAIs, and public participation — were averaged. These measures should be used as indicative data only, as the dataset of questions on the legislature, the SAI, and public participation are not as comprehensive as that on public access to information.

Three of the 30 non-OBI questions are not included in any of the overall indicators. Two questions (65 and 72) on In-Year Reports have been added over subsequent rounds of the Survey, so they have not been included in the OBI calculation in order to maintain comparability across time. The response to a question (113) on whether the executive publishes accessible and nontechnical definitions of terms used in the budget and other budget-related documents is also not included in the Open Budget Index.

## Section 2: What Is New in the 2012 Open Budget Questionnaire, and What Are the Implications?

The structure of the 2012 Open Budget Questionnaire is different than that used in previous rounds. The IBP has added and deleted a number of questions, although the overall number of questions has only gone up to 125 questions in this round from 123 in previous rounds. The Open Budget Questionnaire is now composed of five sections, two more than earlier rounds.

Most of the changes made to the Open Budget Questionnaire deepen the Survey’s assessment of the relative strength of the legislature and supreme audit institution and public engagement in budget processes. As described in detail below, the questions used to calculate the Open Budget Index were for the most part unchanged and, therefore, the indices are comparable across all four rounds.

Sections 1 and 2 are essentially the same as in prior rounds, describing the key budget documents used to complete the questionnaire and assessing the public availability and comprehensiveness of the Executive’s Budget Proposal and its supporting documents. Given its importance in presenting the government’s priorities and plans for raising and spending public funds in the coming year and in establishing the agenda for the budget debate, the Survey places particular emphasis on the proposed budget.

Section 3 evaluates the public availability and comprehensiveness of key budget reports throughout the budget process. The questions on legislative strength that had been included in this section in previous rounds were moved to two new sections; however, though the remaining questions have been renumbered, the wording and order are unchanged.

Section 4 was added to the 2012 Survey and is composed of questions that measure the strength of the legislature

and supreme audit institution. It includes questions that were part of the Survey in previous rounds, as well as new questions that look at various factors like whether there is an established research body that can provide the legislature with analysis and guidance on budget matters; whether there are legislative pre-budget debates; the procedures for shifting funds, not only between administrative units but also between individual line items; and the procedures in place for when additional revenue is raised during the budget year.

Section 5 is also a new section, and it includes 12 questions on public engagement in the budget process. Some of these questions (those on legislative public hearings, for example) had been in different sections of the questionnaire in previous rounds, but there are a substantial number of new questions, as well. Other questions in this section assess the presence of legal requirements, mechanisms, and feedback procedures for public engagement with the executive, legislature, and supreme audit institution. Finally, section 5 also includes four questions on the Citizens Budget, three more than in prior Survey questionnaires. This deeper attention to Citizens Budgets reflects the growing recognition of the importance of this document as a key element of budget transparency in a given country.

**The Open Budget Index Measures the Timely Release of Information Throughout the Budget Process**

Budget Document	Release Deadlines for “Publicly Available” Documents	2012 Survey Question Numbers	Number of questions per document in the OBI
<b>Pre-Budget Statement (PBS)</b>	Must be released at least one month before the Executive’s Budget Proposal is submitted to the legislature for consideration.	<b>60-62</b>	<b>3</b>
<b>Executive’s Budget Proposal (EBP)</b>	Ideally should be released at the same time as it is presented to the legislature. At a minimum, it must be released while the legislature is still considering it and before it is approved. In no case would a proposal released after the legislature has approved it be considered “publicly available.”	<b>1-58</b>	<b>58</b>
<b>Supporting documents for the EBP</b>	Must be released at or about the same time of the Executive’s Budget Proposal (see above).	<b>1-58</b>	<b>58</b>
<b>Enacted Budget (EB)</b>	Must be released no later than three months after the budget is approved by the legislature.	<b>101</b>	<b>1</b>
<b>Citizens Budget (CB)</b>	If it is a simplified version of the Executive’s Budget Proposal, it must be released at the same time as a “publicly available” Executive’s Budget Proposal. If it is a simplified version of the Enacted Budget, it must be released at the same time as a “publicly available” Enacted Budget.	<b>109-112</b>	<b>4</b>
<b>In-Year Reports (IYRs)</b>	Must be released no later than three months after the reporting period ends.	<b>63-64, 66-71</b>	<b>8</b>
<b>Mid-Year Review (MYR)</b>	Must be released no later than three months after the reporting period ends.	<b>73-76</b>	<b>4</b>
<b>Year-End Report (YER)</b>	Must be released no later than two years after the end of the fiscal year (the reporting period).	<b>77-86</b>	<b>10</b>
<b>Audit Report (AR)</b>	Must be released no later than two years after the end of the fiscal year (the reporting period).	<b>87-89, 91, 95-96, 108</b>	<b>7</b>



## Summary of the Changes in the 2012 Open Budget Questionnaire

- Twelve questions were excluded from the 2012 Survey: 56-60, 63-65, 70, 79, 97, and 99. (Note that these are the question numbers from the 2010 Open Budget Questionnaire.) None of these questions was used in the calculation of the Open Budget Index, or other indicators from the Survey.
- Two questions were modified: 109 and 123. (Note that these were questions 61 and 119, respectively, in the 2010 Open Budget Questionnaire.)
- Fourteen questions were added: 97-98, 103-104, 110-112, 114-118, and 124-125. These have been used in defining indicators for public engagement and legislative strength

## Implications of changes for the Open Budget Index and other indicators

### Citizens Budget

The increase from one to four in the number of questions on the Citizens Budget is the only change in the 2012 Open Budget Questionnaire that affects the calculation of the Open Budget Index. Instead of being calculated from 92 questions, as in previous rounds, the OBI 2012 is based on 95 questions. In addition to asking whether or not the government produces and publishes a Citizens Budget, the new questions assess the extent to which the public was engaged in developing the document, how the document is disseminated, and whether a Citizens Budget is produced for every phase of the budget process.

The new questions increase the variance in performance with regard to Citizens Budgets, which could result in OBI 2012 scores that are higher or lower than they would have

**The Open Budget Survey Evaluates Oversight Actors and Practices**

Indicator Measured	2012 Survey Question Numbers	Number of Questions per Indicator
Public Engagement in the Budget Process	114-125	12
Strength of the Legislature	59, 97-100, 102-107	11
Strength of the Supreme Audit Institution	90, 92-94	4

been without the changes. So can you still compare the OBI 2012 with the indices from earlier rounds of the Survey? Ideally, to ensure comparability the IBP would have been able to find answers for the new questions for the three previous rounds and recalculate the respective OBI scores. However, there was insufficient information available to do

this in a rigorous way, so the Open Budget Indices for the 2006, 2008, and 2010 rounds were not updated.

To assess the extent to which the new questions affect countries' OBI 2012 scores, and thus how comparable 2012 scores are to those from prior rounds of the Survey, the IBP calculated both a 92-question Open Budget Index 2012 and the actual OBI 2012 (with all 95 questions) and compared the scores. The results showed that the new questions generally had little effect on OBI 2012 scores; thus retaining the ability to compare scores over the four rounds of the Survey.

1. In 71 of the 100 countries surveyed, the OBI 2012 scores calculated using 95 questions are lower than those based on 92 questions. However, in over two thirds of the countries surveyed (68) the difference is no greater than one point. A three-point decrease is observed for three countries: the United States, Germany, and Spain — all high performers.
2. The relative rankings change only a little with the "new" (95 question) and "old" OBI calculation: the correlations between scores and rankings, using the new and old methods, are extremely high (0.9998 and 0.9992, respectively), thus suggesting that the changes in the questionnaire had a very small impact on the evaluation of budget transparency at both the global level and within individual countries.

### Strength of the Legislature

The changes to the 2012 Survey's indicators on legislative strength do not affect the calculation of the Open Budget Index. These changes include four new questions that were added to the Survey questionnaire from previous rounds. Further, existing questions were revised to obtain a more accurate and comprehensive assessment of the role of legislatures during the budget process, and of the effective-

ness of their oversight of government policies. Finally, four questions that were used to assess the strength of legislative oversight in previous rounds of the Open Budget Survey are now

being used to assess opportunities for public participation in budgets. While the responses to existing questions are comparable over time, the addition of the new questions on the legislature means that the average scores for the strength of this institution across the different Survey rounds are not comparable.

## Strength of the Supreme Audit Institution

Only four indicators have been used to assess the strength of the supreme audit institution:

- authority to remove the head of supreme audit institution (question 90);
- legal power to audit public finances (question 92);
- financial resources available to the SAI and the authority to determine its own budget (question 93); and
- the availability of skilled audit personnel (question 94).

In previous Surveys the SAI strength indicator was composed of a greater number of questions. These questions are still included in the 2012 Survey (questions 87, 90, 92-96, 107-108, and 123); however, some are now used to construct the indicators for public engagement, comprehensiveness of the audit report, and legislative strength. Because of these changes, the 2012 scores for the strength of the SAI are not comparable to those of earlier Survey rounds.

## Public Engagement in the Budget Process

Finally, a set of 12 indicators was created to assess the extent to which the executive, legislature, and supreme audit institution engage the public in the budget process (questions 114-125). Some of these questions (119-123) were included in previous rounds of the Survey, though one was revised to better explain what was being assessed (123), while others remained the same (119-122). Seven are completely new (114-118, and 124-125).

## Section 3: Weighting the Relative Importance of Key Budget Documents and Implications on Scores

As mentioned above, each country's OBI 2012 score is calculated from a subset of 95 Survey questions. Though each of the eight key budget documents assessed may have a different number of questions related to it, the OBI score is a simple average of all 95 questions. In calculating the OBI scores, no method of explicit weighting was used to offset the disproportionate influence of documents that have more questions about them on the Survey.

Though using a simple average is clear, it implicitly considers certain budget documents as more important than others. In particular, 58 of the 95 OBI questions assess the public availability and comprehensiveness of the Executive's Budget Proposal, and thus are key determinants of a country's overall OBI score. In contrast, the Enacted Budget

and the Citizens Budget are the focus of only one and four questions, respectively.

This implicit weighting is not without justification. From a civil society perspective, the Executive's Budget Proposal is the most important budget document, as it lays out the government's budget policy objectives and plans for the upcoming year. Access to this information is critical for civil society to influence budget debates prior to approval of the final budget.

However, the IBP used several alternative methods for calculating the OBI 2012 to assess the degree to which the current calculation method may bias the OBI results. What these tests found was that the OBI rankings of the countries largely remained consistent regardless of weighting method.

## Do You Have Questions?

This annex presents a basic description of the methodology used in producing the Open Budget Survey 2012, including a summary of changes made to the Survey and their impact on results and comparability across the four rounds. We also have tried to address some methodological questions in fairly nontechnical terms. If you have more technical questions about the Open Budget Survey, or would like more details on any aspect of the methodology, please contact the IBP at [info@internationalbudget.org](mailto:info@internationalbudget.org).

## ANNEX B: OPEN BUDGET INDEX SCORES OVER TIME, 2006 TO 2012

Country	Open Budget Index 2006	Open Budget Index 2008	Open Budget Index 2010	Open Budget Index 2012
Afghanistan		8	21	59
Albania	25	37	33	47
Algeria		2	1	13
Angola	5	4	26	28
Argentina	40	56	56	50
Azerbaijan	30	37	43	42
Bangladesh	39	42	48	58
Benin				1
Bolivia		7	13	12
Bosnia and Herzegovina		44	44	50
Botswana			51	50
Brazil	74	74	71	73
Bulgaria	47	57	56	65
Burkina Faso			5	23
Cambodia		11	15	15
Cameroon		5	2	10
Chad			0	3
Chile			72	66
China		14	13	11
Colombia	57	61	61	58
Costa Rica	45	45	47	50
Croatia	42	59	57	61
Czech Republic	61	62	62	75
Democratic Republic of Congo		1	6	18
Dominican Republic		12	14	29
Ecuador			31	31
Egypt	19	43	49	13
El Salvador	28	37	37	43
Equatorial Guinea		0	0	0
Fiji		13	0	6
France	89	87	87	83
Georgia	34	53	55	55
Germany		64	68	71
Ghana	42	50	54	50
Guatemala	46	46	50	51
Honduras		12	11	53
India	53	60	67	68
Indonesia	42	54	51	62
Iraq			0	4
Italy			58	60
Jordan	50	53	50	57
Kazakhstan		35	38	48
Kenya			49	49
Kyrgyz Republic		8	15	20
Lebanon		32	32	33
Liberia		3	40	43
Macedonia		54	49	35
Malawi		28	47	52
Malaysia		35	39	39
Mali			35	43
Mexico	50	55	52	61
Mongolia	18	36	60	51

Country	Open Budget Index 2006	Open Budget Index 2008	Open Budget Index 2010	Open Budget Index 2012
Morocco	19	28	28	38
Mozambique			28	47
Myanmar				0
Namibia	50	46	53	55
Nepal	36	43	45	44
New Zealand	86	86	90	93
Nicaragua			37	42
Niger		26	3	4
Nigeria	20	19	18	16
Norway	72	80	83	83
Pakistan		38	38	58
Papua New Guinea	52	61	57	56
Peru		67	65	57
Philippines	51	48	55	48
Poland		67	64	59
Portugal			58	62
Qatar				0
Romania	66	62	59	47
Russia	47	58	60	74
Rwanda		1	11	8
São Tomé e Príncipe		1	0	29
Saudi Arabia		1	1	1
Senegal		3	3	10
Serbia		46	54	39
Sierra Leone				39
Slovakia			57	67
Slovenia		74	70	74
South Africa	86	87	92	90
South Korea		66	71	75
Spain			63	63
Sri Lanka	47	64	67	46
Sudan		0	8	
Sweden	76	78	83	84
Tajikistan				17
Tanzania		36	45	47
Thailand		40	42	36
Timor-Leste			34	36
Trinidad and Tobago		33	33	38
Tunisia				11
Turkey	42	43	57	50
Uganda	32	51	55	65
Ukraine		55	62	54
United Kingdom	88	88	87	88
United States	81	82	82	79
Venezuela		35	34	37
Vietnam	3	10	14	19
Yemen		10	25	11
Zambia			36	4
Zimbabwe				20
	* 40 comparable w. all years	*78 comparable w. previous years	*94 comparable w. previous years	*100 countries Sudan not included
		*77 comparable w.2012	*93 comparable w.2012	

# ANNEX C: THE PUBLIC AVAILABILITY OF BUDGET DOCUMENTS, OPEN BUDGET SURVEY 2012

Country	Pre-Budget Statement	Executive's Budget Proposal	Citizens Budget	Enacted Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report
Afghanistan	●	●	●	●	●	●	●	●
Albania	●	●	●	●	●	●	●	●
Algeria	●	●	●	●	●	●	●	●
Angola	●	●	●	●	●	●	●	●
Argentina	●	●	●	●	●	●	●	●
Azerbaijan	●	●	●	●	●	●	●	●
Bangladesh	●	●	●	●	●	●	●	●
Benin	●	●	●	●	●	●	●	●
Bolivia	●	●	●	●	●	●	●	●
Bosnia and Herzegovina	●	●	●	●	●	●	●	●
Botswana	●	●	●	●	●	●	●	●
Brazil	●	●	●	●	●	●	●	●
Bulgaria	●	●	●	●	●	●	●	●
Burkina Faso	●	●	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●	●	●
Cameroon	●	●	●	●	●	●	●	●
Chad	●	●	●	●	●	●	●	●
Chile	●	●	●	●	●	●	●	●
China	●	●	●	●	●	●	●	●
Colombia	●	●	●	●	●	●	●	●
Costa Rica	●	●	●	●	●	●	●	●
Croatia	●	●	●	●	●	●	●	●
Czech Republic	●	●	●	●	●	●	●	●
Democratic Republic of Congo	●	●	●	●	●	●	●	●
Dominican Republic	●	●	●	●	●	●	●	●
Ecuador	●	●	●	●	●	●	●	●
Egypt	●	●	●	●	●	●	●	●
El Salvador	●	●	●	●	●	●	●	●
Equatorial Guinea	●	●	●	●	●	●	●	●
Fiji	●	●	●	●	●	●	●	●
France	●	●	●	●	●	●	●	●
Georgia	●	●	●	●	●	●	●	●
Germany	●	●	●	●	●	●	●	●
Ghana	●	●	●	●	●	●	●	●
Guatemala	●	●	●	●	●	●	●	●
Honduras	●	●	●	●	●	●	●	●
India	●	●	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●	●	●
Iraq	●	●	●	●	●	●	●	●
Italy	●	●	●	●	●	●	●	●
Jordan	●	●	●	●	●	●	●	●
Kazakhstan	●	●	●	●	●	●	●	●
Kenya	●	●	●	●	●	●	●	●
Kyrgyz Republic	●	●	●	●	●	●	●	●
Lebanon	●	●	●	●	●	●	●	●
Liberia	●	●	●	●	●	●	●	●
Macedonia	●	●	●	●	●	●	●	●
Malawi	●	●	●	●	●	●	●	●
Malaysia	●	●	●	●	●	●	●	●
Mali	●	●	●	●	●	●	●	●

● Available To The Public ● Available for Internal Use ● Not Produced

Country	Pre-Budget Statement	Executive's Budget Proposal	Citizens Budget	Enacted Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report
Mexico	●	●	●	●	●	●	●	●
Mongolia	●	●	●	●	●	●	●	●
Morocco	●	●	●	●	●	●	●	●
Mozambique	●	●	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●	●	●
Namibia	●	●	●	●	●	●	●	●
Nepal	●	●	●	●	●	●	●	●
New Zealand	●	●	●	●	●	●	●	●
Nicaragua	●	●	●	●	●	●	●	●
Niger	●	●	●	●	●	●	●	●
Nigeria	●	●	●	●	●	●	●	●
Norway	●	●	●	●	●	●	●	●
Pakistan	●	●	●	●	●	●	●	●
Papua New Guinea	●	●	●	●	●	●	●	●
Peru	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●
Poland	●	●	●	●	●	●	●	●
Portugal	●	●	●	●	●	●	●	●
Qatar	●	●	●	●	●	●	●	●
Romania	●	●	●	●	●	●	●	●
Russia	●	●	●	●	●	●	●	●
Rwanda	●	●	●	●	●	●	●	●
São Tomé e Príncipe	●	●	●	●	●	●	●	●
Saudi Arabia	●	●	●	●	●	●	●	●
Senegal	●	●	●	●	●	●	●	●
Serbia	●	●	●	●	●	●	●	●
Sierra Leone	●	●	●	●	●	●	●	●
Slovakia	●	●	●	●	●	●	●	●
Slovenia	●	●	●	●	●	●	●	●
South Africa	●	●	●	●	●	●	●	●
South Korea	●	●	●	●	●	●	●	●
Spain	●	●	●	●	●	●	●	●
Sri Lanka	●	●	●	●	●	●	●	●
Sweden	●	●	●	●	●	●	●	●
Tajikistan	●	●	●	●	●	●	●	●
Tanzania	●	●	●	●	●	●	●	●
Thailand	●	●	●	●	●	●	●	●
Timor-Leste	●	●	●	●	●	●	●	●
Trinidad and Tobago	●	●	●	●	●	●	●	●
Tunisia	●	●	●	●	●	●	●	●
Turkey	●	●	●	●	●	●	●	●
Uganda	●	●	●	●	●	●	●	●
Ukraine	●	●	●	●	●	●	●	●
United Kingdom	●	●	●	●	●	●	●	●
United States	●	●	●	●	●	●	●	●
Venezuela	●	●	●	●	●	●	●	●
Vietnam	●	●	●	●	●	●	●	●
Yemen	●	●	●	●	●	●	●	●
Zambia	●	●	●	●	●	●	●	●
Zimbabwe	●	●	●	●	●	●	●	●

Country	Public Engagement 2012	Legislative Strength 2012	SAI Strength 2012
Afghanistan	11	48	75
Albania	11	52	100
Algeria	14	21	34
Angola	6	18	25
Argentina	31	30	75
Azerbaijan	6	39	33
Bangladesh	11	58	67
Benin	0	45	42
Bolivia	3	45	75
Bosnia and Herzegovina	19	42	100
Botswana	19	58	100
Brazil	36	61	100
Bulgaria	33	30	67
Burkina Faso	17	76	50
Cambodia	0	39	58
Cameroon	11	21	8
Chad	0	46	42
Chile	11	67	100
China	14	12	25
Colombia	39	70	100
Costa Rica	19	70	100
Croatia	36	67	75
Czech Republic	28	76	92
Democratic Republic of Congo	3	45	42
Dominican Republic	25	64	67
Ecuador	22	41	58
Egypt	8	58	50
El Salvador	14	55	100
Equatorial Guinea	0	9	0
Fiji	11	0	8
France	42	85	92
Georgia	47	82	92
Germany	22	82	100
Ghana	36	79	92
Guatemala	3	42	100
Honduras	22	67	67
India	17	76	100
Indonesia	19	85	67
Iraq	0	51	67
Italy	25	70	67
Jordan	11	64	25
Kazakhstan	14	67	33
Kenya	39	64	83
Kyrgyz Republic	11	47	58
Lebanon	0	36	42
Liberia	11	51	75
Macedonia	8	55	100
Malawi	19	57	42
Malaysia	17	52	100
Mali	11	70	83
Mexico	25	52	92
Mongolia	19	67	75

Country	Public Engagement 2012	Legislative Strength 2012	SAI Strength 2012
Morocco	6	33	25
Mozambique	8	36	25
Myanmar	6	12	8
Namibia	3	30	67
Nepal	17	39	100
New Zealand	58	61	100
Nicaragua	3	46	50
Niger	0	64	50
Nigeria	31	76	67
Norway	53	88	100
Pakistan	11	51	92
Papua New Guinea	11	48	42
Peru	17	61	83
Philippines	53	36	92
Poland	45	48	100
Portugal	14	58	75
Qatar	0	0	0
Romania	14	58	100
Russia	25	85	100
Rwanda	33	73	92
São Tomé e Príncipe	3	51	42
Saudi Arabia	3	0	59
Senegal	11	30	58
Serbia	8	49	84
Sierra Leone	19	27	75
Slovakia	28	37	100
Slovenia	58	79	100
South Africa	58	88	75
South Korea	92	79	67
Spain	14	40	75
Sri Lanka	8	47	50
Sweden	50	91	100
Tajikistan	3	39	92
Tanzania	14	43	67
Thailand	14	70	83
Timor-Leste	22	48	100
Trinidad and Tobago	14	70	59
Tunisia	8	21	33
Turkey	11	27	50
Uganda	19	73	67
Ukraine	31	73	75
United Kingdom	56	49	100
United States	58	87	100
Venezuela	17	39	58
Vietnam	14	76	84
Yemen	6	33	67
Zambia	14	33	50
Zimbabwe	17	23	25



## Previous Open Budget Survey Reports



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